

SUPPLEMENTARY DEMANDS FOR GRANTS

(As voted by the Legislative Assembly)

FOR

Expenditure of the Central Government (excluding Railways)

charged to Revenue and Capital, and also
of Disbursements of Loans and Advances

FOR

1936-37



January 1937

Schedule of supplementary demands for grants for expenditure of the Central Government (excluding Railways) for the year 1936-37, as voted by the Legislative Assembly.

| No. of demand | Service Administration or Area to which the demand relates | Head of Account | Amount | Reference to pages of detailed statements |
|---------------|---|--|-----------|---|
| | A—EXPENDITURE CHARGED TO REVENUE | | Rs | |
| 25 | Interest on Ordinary Debt and reduction or avoidance of Debt | Interest on Ordinary Debt | 1,79,000 | 1 |
| 26 | Interest on Miscellaneous Obligations | Interest on other Obligations | 2,64,000 | 2 |
| 29 | Council of State | General Administration | 9,000 | 3 |
| 30 | Legislative Assembly and Legislative Assembly Department | Do | 80,000 | 4 |
| 31 | Foreign and Political Department | Do | 69,000 | 5 |
| 32 | Home Department | Do | 21,000 | 6 |
| 33 | Public Service Commission | Do | 7,000 | 7 |
| 34 | Legislative Department | Do | 13,000 | 8 |
| 36 | Finance Department | Do | 29,000 | 9 |
| 38 | Commerce Department | Do | 18,000 | 10 |
| 56 | Education | Education | 54,000 | 11 |
| 69B | Expenditure on the Development of Broadcasting met from the Fund. | Miscellaneous Departments | 1,000 | 12—13 |
| 72 | Mint | Mint | 1,71,000 | 14 |
| 75 | Stationery and Printing | Stationery and Printing | 2,30,000 | 15—16 |
| 76 | Miscellaneous | Miscellaneous | 27,000 | 17 |
| 81 | Ajmer Merwara | Distributed over respective heads of account | 67,000 | 18—20 |
| | | Total | 12,39,000 | |
| | B—EXPENDITURE CHARGED TO CAPITAL | | | |
| 91 | Indian Posts and Telegraphs | Capital outlay on Posts and Telegraphs | 6,78,000 | 21 |

Schedule of supplementary demands for grants for expenditure of the Central Government (excluding Railways) for the year 1936-37, as voted by the Legislative Assembly—*concl.*

| No. of do- mand. | Service, Administration or Area to which the demand relates. | Head of Account. | Amount. | Reference to pages of detailed state- ments. |
|------------------------|---|--|-----------|--|
| | | | Rs. | |
| 92A | B.—EXPENDITURE CHARGED TO CAPITAL— <i>concl.</i> Capital outlay on Schemes of Agricultural Improve- ment and Research. | Capital outlay on Schemes of Agricul- tural Improvement and Research. | 2,92,000 | 22 |
| 98 | C.—DISBURSEMENTS OF LOANS AND ADVANCES. Interest-free advances | Total GRAND TOTAL | 2,70,000 | 23 |
| | | | 6,70,000 | |
| | | | 28,70,000 | |

SUPPLEMENTARY DEMAND No. 25.

INTEREST ON ORDINARY DEBT, AND REDUCTION OR AVOIDANCE OF DEBT.

(See page 141 of Original Demands)

Original grant — Voted: Nineteen Lakhs and Eighty Thousand Rupees.

I SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to pay the INTEREST CHARGES AND THE CHARGES FOR THE REDUCTION OR AVOIDANCE OF DEBT.

Voted: One Lakh and Seventy-nine Thousand Rupees.

II. SUB HEADS under which this Supplementary Grant will be accounted for on behalf of the FINANCE DEPARTMENT.

| A —RUPEE DEBT | Rs |
|---|----------|
| A 3 —MANAGEMENT OF DEBT | 1,04 000 |
| A. 4 —BROKERAGE, COMMISSION ETC. ON LOANS | 75,000 |
| TOTAL | 1,79,000 |

The additional expenditure is mainly due to the flotation of the new rupee loan—2½ per cent Loan, 1948—52. A portion of the excess under the sub head A 3 is also due to payment during the current year of the remuneration for the previous year in respect of the management of rupee debt en faced in London.

SUPPLEMENTARY DEMAND No. 26.

INTEREST ON MISCELLANEOUS OBLIGATIONS.

(See page 143 of Original Demands.)

Original grant : { Voted : Sixty-eight Lakhs and Eighty-eight Thousand Rupees.
 Non-voted : Eleven Crores, Forty-six Lakhs, and Eighteen Thousand Rupees.

I. SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to defray the Expenses in connection with PAYMENT OF INTEREST ON MISCELLANEOUS OBLIGATIONS.

Voted : Two Lakhs and Sixty-four Thousand Rupees.

II-A. SUB-HEAD under which this Supplementary Grant will be accounted for on behalf of the FINANCE DEPARTMENT.

CHARGES IN INDIA :

Rs.

F.—OTHER ITEMS :

F. 1.—PAYMENTS TO POST OFFICE FOR SAVINGS BANK AND CASH CERTIFICATE WORK. 2,64,000

II-B. CIRCLE OF ACCOUNT in which this Supplementary Grant will be accounted for :—

INDIA 2,64,000

The amount payable to the Posts and Telegraphs Department depends upon the number of cash certificates sold and discharged and also on the number of transactions in the Post Office Savings Bank. The amount is of an exceedingly fluctuating nature. The excess is due to the number of transactions being greater than originally anticipated.

SUPPLEMENTARY DEMAND No 29

COUNCIL OF STATE

(See page 152 of Original Demands)

Original grant { Voted One Lakh and Thirty four Thousand Rupees
 { Non voted Eight Thousand Rupees

I—SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to pay the Salaries and other Expenses of the COUNCIL OF STATE

Voted Nine Thousand Rupees

II SUB HEAD under which this Supplementary Grant will be accounted for on behalf of the LEGISLATIVE DEPARTMENT

| | Rs |
|--------------------------------|-------|
| B—ALLOWANCES, HONORARIA, ETC | 9,000 |
| III DETAILS of the foregoing — | |
| B—ALLOWANCES, HONORARIA, ETC | |
| Travelling Allowance | 9,000 |

This is required to meet the excess expenditure on account of allowances of Members
 of the Commission but

SUPPLEMENTARY DEMAND No. 30.

LEGISLATIVE ASSEMBLY AND LEGISLATIVE ASSEMBLY DEPARTMENT.

(See page 154 of Original Demands.)

Original grant : { Voted : Seven Lakh and Eighty-eight Thousand Rupees.
 Non-voted : Eighty-two Thousand Rupees.

I. SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to pay the Salaries and other Expenses of the LEGISLATIVE ASSEMBLY AND LEGISLATIVE ASSEMBLY DEPARTMENT.

Voted : Eighty Thousand Rupees.

II. SUB-HEAD under which this Supplementary Grant will be accounted for on behalf of the LEGISLATIVE ASSEMBLY AND LEGISLATIVE ASSEMBLY DEPARTMENT.

| | Rs. |
|---|---------------|
| A.—LEGISLATIVE ASSEMBLY : | |
| A. 3.—ALLOWANCES, HONORARIA, ETC. | <u>80,000</u> |

III. DETAILS of the foregoing :—

| | |
|-------------------------------------|---------------|
| A.—LEGISLATIVE ASSEMBLY : | |
| A. 3.—ALLOWANCES, HONORARIA, ETC. : | |
| Travelling allowance | <u>80,000</u> |

This is required to meet the extra expenditure on account of allowances of Members of the Legislative Assembly due to the continuance of the last winter session beyond March 1936, and the autumn session for about 3 weeks beyond the usual period.

SUPPLEMENTARY DEMAND No. 31.

FOREIGN AND POLITICAL DEPARTMENT.

(See page 157 of Original Demands)

Original grant $\left\{ \begin{array}{l} \text{Voted} \quad \text{Nine Lakhs, Eight Thousand and Nine Hundred} \\ \quad \quad \quad \text{Rupees} \\ \text{Non-voted} \quad \text{Two Lakhs and Ninety three Thousand Rupees.} \end{array} \right.$

I. SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to pay the Salaries and other Expenses of the FOREIGN AND POLITICAL DEPARTMENT

Voted Sixty nine Thousand Rupees.

II. SUB-HEADS under which this Supplementary Grant will be accounted for on behalf of the FOREIGN AND POLITICAL DEPARTMENT.

| | Rs |
|---|--------|
| A — PAY OF OFFICERS | 8,000 |
| B — PAY OF ESTABLISHMENTS | 8,500 |
| C — ALLOWANCES, HONORARIA, ETC | 16,500 |
| D — POSTAGE, TELEGRAM AND TELEPHONE CHARGES | 34,000 |
| E — OTHER CONTINGENCIES | 2,000 |
| TOTAL | 69,000 |

III. DETAILS of the foregoing —

| | |
|---|------------|
| A — PAY OF OFFICERS | 8,000 (a) |
| B — PAY OF ESTABLISHMENTS | 8,500 (b) |
| C — ALLOWANCES, HONORARIA, ETC | 16,500 (c) |
| D — POSTAGE, TELEGRAM AND TELEPHONE CHARGES | 34,000 (d) |
| E — OTHER CONTINGENCIES | 2,000 (e) |
| TOTAL | 69,000 |

(a) This is required to meet excess expenditure on account of the pay of an officer for whom the budget provided only for a part of the year

(b), (c) and (e) These are required to meet excesses due to the entertainment of additional staff for the Frontier Watch and Ward Committee, the Railway Jurisdiction Committee and the Special Representatives of His Excellency the Viceroy and for additional work in connection with Federation

(d) This is required to meet excess due to developments on the frontier and the forthcoming constitutional changes

SUPPLEMENTARY DEMAND No. 32.

HOME DEPARTMENT.

(See page 159 of the Original Demands.)

Original grant { Voted : Seven Lakhs, Seventy-one Thousand and Nine Hundred Rupees.
 Non-voted : Fourteen Lakhs and Sixty-two Thousand Rupees.

I. SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to pay the Salaries and other Expenses of the HOME DEPARTMENT.

Voted : Twenty-one Thousand Rupees.

II-A. SUB-HEADS under which this Supplementary Grant will be accounted for on behalf of the HOME DEPARTMENT.

| | Rs. |
|---|--------|
| A.—SECRETARIAT : | |
| A. 1.—PAY OF OFFICERS | 12,800 |
| A. 2.—PAY OF ESTABLISHMENTS | 800 |
| A. 3.—ALLOWANCES, HONORARIA, ETC. | 3,000 |
| TOTAL FOR SECRETARIAT | 16,600 |
| F.—MISCELLANEOUS CHARGES | 4,400 |
| TOTAL | 21,000 |

II-B. CIRCLE of Account in which this Supplementary Grant will be accounted for :—

INDIA 21,000

III. DETAILS of the foregoing :—

INDIA.

A.—SECRETARIAT :

A. 1.—PAY OF OFFICERS :

| | |
|------------------------------------|--------|
| Officers special duty | 9,900 |
| Temporary Superintendent | 2,900 |
| TOTAL | 12,800 |

A. 2.—PAY OF ESTABLISHMENTS :

| | |
|-----------------------------------|-----|
| Temporary establishment | 800 |
| TOTAL | 800 |

A. 3.—ALLOWANCES, HONORARIA, ETC. :

| | |
|---|-------|
| House rent and other allowances | 1,900 |
| Travelling allowance | 1,100 |
| TOTAL | 3,000 |

| | |
|---------------------------------|------------|
| TOTAL FOR SECRETARIAT | 16,600 (a) |
|---------------------------------|------------|

F.—MISCELLANEOUS CHARGES

| | |
|-----------------|-----------|
| TOTAL | 4,400 (b) |
|-----------------|-----------|

| | |
|---------------------------|--------|
| TOTAL FOR INDIA | 21,000 |
|---------------------------|--------|

(a) This is required to meet excess due mainly to the appointment of a temporary Superintendent, two officers on special duty and certain staff for some months in the current year.

(b) This is required to meet the equipment and voyage allowance of Diwan Bahadur R. Mudaliar, Member of the India Council.

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SUPPLEMENTARY DEMAND No. 33.

PUBLIC SERVICE COMMISSION

(See page 167 of Original Demands)

Original grant: { Voted One Lakh and Ninety five Thousand Rupees.
 Non voted Two Lakhs and Fifteen Thousand Rupees

I SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to pay the Salaries and other Expenses of the PUBLIC SERVICE COMMISSION

Voted Seven Thousand Rupees

II SUB HEAD under which this Supplementary Grant will be accounted for on behalf of the HOME DEPARTMENT

| | Rs |
|--------------------------|-------|
| E.—SUPPLIES AND SERVICES | 7,000 |

III DETAILS of the foregoing —

| | |
|---|-------|
| E.—SUPPLIES AND SERVICES | 7,000 |
| Charges in connection with examinations | 7,000 |

SUPPLEMENTARY DEMAND No. 34.
LEGISLATIVE DEPARTMENT.

(See page 169 of Original Demands.)

Original grant : { Voted : Three Lakhs and Twenty Thousand Rupees.
 Non-voted : Two Lakhs and Five Thousand Rupees.

I. SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to pay the Salaries and other Expenses of the LEGISLATIVE DEPARTMENT.

Voted : Thirteen Thousand Rupees.

II. SUB-HEAD under which this Supplementary Grant will be accounted for on behalf of the LEGISLATIVE DEPARTMENT.

| | Rs. |
|------------------------------|--------|
| A.—PAY OF OFFICERS | 13,000 |

III. DETAILS of the foregoing :—

| A.—PAY OF OFFICERS : | |
|----------------------------|--------|
| Deputy Secretary | 13,000 |

This is required to meet the excess due to the post of Deputy Secretary having been held by an officer whose pay and allowances are voted and is counterbalanced by savings under the corresponding non-voted head where provision was made in the original budget estimates. The total excess expenditure amounts to Rs. 16,000 but of this a sum of Rs. 3,000 will be met by re-appropriation.

SUPPLEMENTARY DEMAND No. 36.

FINANCE DEPARTMENT.

(See page 175 of Original Demands.)

Original grant : { Voted : Ten Lakhs and Sixteen Thousand Rupees.
 { Non-voted : Two Lakhs and Forty-two Thousand Rupees.

I.—SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to pay the Salaries and other Expenses of the FINANCE DEPARTMENT.

Voted : Twenty-nine Thousand Rupees.

II.—SUB-HEADS under which this Supplementary Grant will be accounted for on behalf of the FINANCE DEPARTMENT.

| A.—ORDINARY BRANCH : | Rs. |
|--|---------------|
| A. 1.—PAY OF OFFICERS | 26,700 |
| A. 2.—PAY OF ESTABLISHMENTS | 600 |
| A. 3.—ALLOWANCES, HONORARIA, ETC | 1,700 |
| TOTAL | 29,000 |

III.—DETAILS of the foregoing :—

| A.—ORDINARY BRANCH : | Rs. |
|--|---------------|
| A. 1.—PAY OF OFFICERS | 26,700 |
| A. 2.—PAY OF ESTABLISHMENTS | 600 |
| A. 3.—ALLOWANCES, HONORARIA, ETC | 1,700 |
| TOTAL | 29,000 |

The excess is due partly to the appointment of an officer whose pay is voted in place of an officer whose pay was provided under non-voted and partly to certain additional appointments created to cope with the extra work in connection with the Reforms.

SUPPLEMENTARY DEMAND No. 38.

COMMERCE DEPARTMENT.

(See page 181 of Original Demands.)

Original grant : { Voted : Three Lakhs and Ninety -Five Thousand Rupees.
 Non-voted : One Lakh and Eighteen Thousand Rupees.

I.—SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to pay the Salaries and other Expenses of the COMMERCE DEPARTMENT.

Voted : Eighteen Thousand Rupees.

II.—SUB-HEADS under which this Supplementary Grant will be accounted for on behalf of the COMMERCE DEPARTMENT.

| | Rs. |
|--|---------------|
| A.—PAY OF OFFICERS | 7,400 |
| C.—ALLOWANCES, HONORARIA, ETC. | 10,600 |
| TOTAL | <u>18,000</u> |

III.—DETAILS of the foregoing :—

| | |
|--|---------------|
| A.—PAY OF OFFICERS : | 7,400 |
| C.—ALLOWANCES, HONORARIA, ETC. : | 10,600 |
| TOTAL | <u>18,000</u> |

An Officer on Special Duty was appointed in the Commerce Department in September 1934 in connection with the revision of Company Law and Insurance Law. The Special Officer's reports on the Laws were examined by the Government of India, but before undertaking legislation, they decided to consult commercial opinion on the matter and for this purpose two informal committees were appointed, one on Company Law in 1935-36 and the other on Insurance Law in 1936-37. The cost of the informal committee on Insurance Law amounts to Rs. 10,302 and that of the Special Officer and his staff to Rs. 11,000, of which a sum of Rs. 3,194 will be met by re-appropriation from savings available within the demand under the sub-head "B.—Pay of Establishments". A supplementary grant of Rs. 18,000 roundly is required to meet the balance.

SUPPLEMENTARY DEMAND No. 56.

EDUCATION

(See page 330 of Original Demands)

Original grant $\left\{ \begin{array}{l} \text{Voted} \rightarrow \text{Five lakhs and Eighty eight Thousand Rupees.} \\ \text{Non voted} \rightarrow \text{Twenty nine Thousand Rupees} \end{array} \right.$

I.—SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to defray Expenses in connection with EDUCATION.

Voted —Fifty-four Thousand Rupees.

II.—A SUB-HEAD under which this Supplementary Grant will be accounted for on behalf of the DEPARTMENT OF EDUCATION, HEALTH AND LANDS

A —GRANTS IN AID TO UNIVERSITIES —

Rs

| | |
|---------------------------------|---------------|
| Grant to the Benares University | 27,000 |
| Grant to the Aligarh University | 27,000 |
| TOTAL | 54,000 |

II.—B CIRCLE of account in which this Supplementary Grant will be accounted for —

Rs

| | |
|------------------|--------|
| UNITED PROVINCES | 54,000 |
|------------------|--------|

A sum of Rs 60,000 is required for the restoration of the 10 per cent cut in the grants to the Universities named above. Out of this, a sum of Rs 6,000 will be met by re-appropriation from savings mainly under the grants for the Puss Schools

SUPPLEMENTARY DEMAND No. 69-B.

EXPENDITURE ON THE DEVELOPMENT OF BROADCASTING MET FROM THE FUND.

Original grant :—Nil.

I.—SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 for EXPENDITURE ON THE DEVELOPMENT OF BROADCASTING MET FROM THE FUND.

Voted :—One Thousand Rupees.

II.—SUB-HEADS under which this Supplementary Grant will be accounted for on behalf of the DEPARTMENT OF INDUSTRIES AND LABOUR.

| | Rs. |
|---|-----------|
| A.—SPECIAL EXPENDITURE : | |
| A. 1.—WORKS | 30,000 |
| A. 2.—EQUIPMENT | 2,50,000 |
| A. 3.—DEDUCT—AMOUNT TRANSFERRED FROM THE FUND FOR THE DEVELOPMENT OF BROADCASTING | —2,80,000 |
| TOTAL | .. |

III.—DETAILS of the foregoing :—

| | |
|---|-----------|
| A.—SPECIAL EXPENDITURE : | |
| A. 1.—WORKS : | |
| Site for Studio building in Delhi | 30,000 |
| A. 2.—EQUIPMENT : | |
| Research equipment, transmitters and relay apparatus, etc. | 2,50,000 |
| A. 3.—DEDUCT—AMOUNT TRANSFERRED FROM THE FUND FOR THE DEVELOPMENT OF BROADCASTING | —2,80,000 |
| TOTAL | .. |

A detailed scheme involving an expenditure of Rs. 28,20,000 on the establishment of new stations, etc., has been drawn up. The expenditure likely to be incurred during the current year is estimated at Rs. 2,80,000 and will be met from the special fund of Rs. 40,00,000 created for the purpose. The expenditure to be incurred during the next and subsequent years will be included in the Demands for Grants for those years. The details of the expenditure to be incurred during the current year are given below :—

| | Rs. |
|--|--------|
| 1. Payment of premium for site of the Studio building in Delhi | 30,000 |
| 2. Cost of plant of the Peshawar station to be taken over from the Provincial Government | 50,000 |
| 3. Relay apparatus, aerials, land, etc., in Delhi | 50,000 |
| 4. Research equipment | 60,000 |
| 5. Remodelling of the transmitters of the Bombay and Calcutta stations | 20,000 |

| | Rs. |
|--|----------|
| 6. Equipment for studios and transmitter buildings | 50,000 |
| 7. Other Expenditure | 20,000 |
| Total | 2,80,000 |

The Standing Finance Committee has agreed, *vide* Proceedings of the Meeting of the Standing Finance Committee, Volume XVI, No. 2, pages 12-17, paragraph 3. (According to the latest estimate the expenditure is likely to be less than that reported to the committee.)

As the whole of this expenditure will be met from the special fund mentioned above and is presented in accord-
and will be brought to the

SUPPLEMENTARY DEMAND No. 72.

MINT.

(See page 505 of Original Demands.)

Original grant : { Voted : Seventeen Lakhs and Ten Thousand Rupees.
 Non-voted : Eighty-three Thousand Rupees.

I. SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to defray the Salaries and Expenses of the MINT DEPARTMENT.

Voted : One Lakh and Seventy-one Thousand Rupees.

II-A. SUB-HEADS under which this Supplementary Grant will be accounted for on behalf of the FINANCE DEPARTMENT.

| | Rs. |
|--|-----------------|
| D.—PURCHASE OF LOCAL STORES | 1,00,000 |
| E.—ENGLISH CHARGES (HIGH COMMISSIONER) ON STORES | 71,000 |
| TOTAL | 1,71,000 |

II-B. CIRCLES of Account in which this Supplementary Grant will be accounted for :—

| | |
|---|-----------------|
| BENGAL | 1,00,000 |
| ENGLISH CHARGES (HIGH COMMISSIONER) ON STORES | 71,000 |
| TOTAL | 1,71,000 |

III. DETAILS of the foregoing :—

BENGAL.

| | |
|--|-----------------|
| D.—PURCHASE OF LOCAL STORES | 1,00,000 |
| F.—ENGLISH CHARGES (HIGH COMMISSIONER) ON STORES | 71,000 |
| TOTAL | 1,71,000 |

This is required to meet additional expenditure due mainly to the carry forward of the payment for certain machinery and stores ordered for supply during the last year, but which could not be delivered till the current year.

SUPPLEMENTARY DEMAND, No. 75.

STATIONERY AND PRINTING.

(See page 572 of Original Demands.)

Original grant : { Voted : Thirty-five Lakhs and Twenty-five Thousand
Rupees
Non-voted : Forty-one Thousand Rupees

**I. SUPPLEMENTARY ESTIMATE of the Amount required in the year
ending 31 March 1937 to pay the Salaries and other Expenses of the
STATIONERY AND PRINTING DEPARTMENT**

Voted Two Lakhs and Thirty Thousand Rupees

II-A. SUB-HEADS under which this Supplementary Grant will be accounted for on behalf of the DEPARTMENT OF INDUSTRIES AND LABOUR

| | | |
|--|-------|----------|
| | | Rs |
| C — STATIONERY STORES | | |
| C 1 — PURCHASES IN INDIA · | | |
| C 1 (1) — PAPER | | 2,12,000 |
| W — EXPENDITURE IN ENGLAND (HIGH COMMISSIONER, | | |
| W 1 — STATIONERY AND PRINTING STORES | | |
| SUPPLIED FROM ENGLAND | | |
| W 1 (2) — PRINTING STORES | : | 1,000 |
| W 1 (3) — OTHER STORES | : | 17,000 |
| | | <hr/> |
| | TOTAL | 2,30,000 |

II-B. CIRCLES of Account in which this Supplementary Grant will be accounted for —

| | |
|------------------------|-----------------|
| INDIA | 2,12,000 |
| EXPENDITURE IN ENGLAND | 18,000 |
| TOTAL | 2,30,000 |

III. DETAILS of the foregoing :—

INDIA.—

C.—STATIONERY STORES
C 1.—PURCHASES IN INDIA
C 1 (1)—PAPER 2,12,000

ENGLAND.

W.—EXPENDITURE IN ENGLAND (HIGH COMMISSIONER):

W. 1.—STATIONERY AND PRINTING STORES SUPPLIED
FROM ENGLAND:

| | | | | | |
|---------------------------|---|---|---|---|--------|
| W. 1 (2).—PRINTING STORES | . | . | . | . | 1,000 |
| W. 1 (3).—OTHER STORES | . | . | . | . | 17,000 |
| | | | | | <hr/> |
| | | | | | 18,000 |

TOTAL FOR ENGLAND . .

GRAND TOTAL . .

2,30,000

The excess is due mainly to increased demands from Provincial Governments and cash paying bodies and the expenditure is recoverable as receipts which are credited under the revenue head "XXXIV.—Stationery and Printing".

SUPPLEMENTARY DEMAND No. 76.

MISCELLANEOUS.

(See page 610 of Original Demands.)

Original grant : { Voted : Seven Lakhs and Eighty-eight Thousand Rupees.
 Non-voted : Twenty-seven Lakhs and Twenty three Thousand Rupees

I. SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 for MISCELLANEOUS EXPENDITURE.

Voted : Twenty-seven Thousand Rupees.

II-A. SUB-HEADS under which this Supplementary Grant will be accounted for on behalf of the FINANCE DEPARTMENT.

| D.—SPECIAL COMMISSIONS OF ENQUIRY | | Rs |
|-----------------------------------|-------------------------------------|--------|
| D 2 | —OTHER COMMISSIONS AND COMMITTEES : | |
| D 2 (1) | —PAY OF OFFICERS | 10,000 |
| D 2 (2) | —PAY OF ESTABLISHMENTS | 4,200 |
| D 2 (3) | —TRAVELLING EXPENSES | 5,300 |
| D 2 (5) | —OTHER EXPENSES | 7,500 |
| | TOTAL | 27,000 |

II-B. CIRCLE of Account in which this Supplementary Grant will be accounted for :—

BENGAL 27,000

III.—DETAILS of the foregoing.—

BENGAL.

| D.—SPECIAL COMMISSIONS OF ENQUIRY | | |
|-----------------------------------|-------------------------------------|--------|
| D 2 | —OTHER COMMISSIONS AND COMMITTEES : | |
| D. 2. (1) | —PAY OF OFFICERS | 10,000 |
| D. 2. (2) | —PAY OF ESTABLISHMENTS | 4,200 |
| D. 2. (3) | —TRAVELLING EXPENSES | 5,300 |
| D. 2. (5) | —OTHER EXPENSES | 7,500 |
| | TOTAL | 27,000 |

amo
 current year, a supplementary demand for Rs 27,000 has been asked for. The balance will be met by re appropriation from the savings due to the temporary recess of the Tariff Board.

SUPPLEMENTARY DEMAND No. 81.

AJMER-MERWARA.

(See page 709 of Original Demands.)

Original grant : { Voted : Fifteen Lakhs and Fifty-five Thousand Rupees.
 Non-voted : One Lakh and Twenty-one Thousand Rupees.

I. SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 to pay the Salaries and other Expenses of the AJMER-MERWARA ADMINISTRATION.

Voted : Sixty-seven Thousand Rupees.

II. SUB-HEADS under which this Supplementary Grant will be accounted for on behalf of the FOREIGN AND POLITICAL DEPARTMENT.

| | Rs. |
|---|-------|
| ACCOUNT I.—DIRECT DEMANDS ON THE REVENUE : | |
| A.—LAND REVENUE—CHARGES OF ADMINISTRATION : | |
| A. 4.—DEDUCT—AMOUNT RECOVERED FROM WARDS' ESTATES | 3,700 |
| D.—LAND REVENUE—ASSIGNMENTS AND COMPENSATIONS | 700 |
| E.—EXCISE : | |
| E. 1.—DISTRICT EXECUTIVE ESTABLISHMENT : | |
| E. 1 (3).—OTHER CHARGES | 4,200 |

ACCOUNT III.—POLICE :

| | |
|---|-------|
| A.—DISTRICT EXECUTIVE FORCE — DISTRICT POLICE : | |
| A. 1.—PAY OF OFFICERS | 6,000 |
| A. 2.—POLICE FORCE | 2,000 |
| A. 4.—ALLOWANCES, HONORARIA, ETC. | 5,000 |

ACCOUNT IV.—EDUCATION :

| | |
|---------------------------------------|--------|
| B.—GOVERNMENT SECONDARY SCHOOLS : | |
| B. 2.—PAY OF ESTABLISHMENTS | 3,000 |
| B. 4.—LOSSES | 23,000 |

ACCOUNT V.—OTHER EXPENDITURE HEADS:

| | |
|--|-----------------|
| A.—ADMINISTRATION OF JUSTICE : | Rs. |
| A. 1.—LAW OFFICERS | 1,800 |
| A. 3.—CIVIL AND SESSIONS COURTS: | |
| A. 3. (2).—PAY OF ESTABLISHMENTS | 1,000 |
| A. 4.—COURTS OF SMALL CAUSES : | |
| A. 4. (1).—PAY OF OFFICERS | 1,900 |
| E.—MEDICAL : | |
| E. 3.—GRANTS-IN-AID FOR MEDICAL PURPOSES | 900 |
| L.—COURT OF ENQUIRY AND BOARD OF CONCILIATION CONSTITUTED UNDER THE TRADE DISPUTES ACT : | |
| I. 1.—PAY OF ESTABLISHMENTS | 200 |
| I. 2.—OTHER CHARGES | 500 |
| K.—MISCELLANEOUS CHARGES : | |
| K. 2.—OTHER CHARGES | 1,800 |
| L.—FAMINE RELIEF : | |
| L. 1.—PAY OF ESTABLISHMENTS | 1,300 |
| L. 2.—OTHER CHARGES | 10,000 |
| | TOTAL |
| | 67,000 |

III. DETAILS of the foregoing :—

| | |
|---|-----------------|
| ACCOUNT I.—DIRECT DEMANDS ON THE REVENUE : | Rs. |
| A.—LAND REVENUE—CHARGES OF ADMINISTRATION : | |
| A. 4.—DEDUCT—AMOUNT RECOVERED FROM WARDS' ESTATES | 3,700 |
| D.—LAND REVENUE—ASSIGNMENTS AND COMPENSATIONS : | |
| Other compensations | 700 |
| E.—EXCISE : | |
| E. 1.—DISTRICT EXECUTIVE ESTABLISHMENT : | |
| E. 1. (3).—OTHER CHARGES : | |
| Purchase of Opium | 4,200 |
| | TOTAL |
| | 8,600 (a) |

ACCOUNT III.—POLICE :

| | |
|---|-----------------|
| A.—DISTRICT EXECUTIVE FORCE—DISTRICT POLICE : | |
| A. 1.—PAY OF OFFICERS : | |
| Deputy Superintendent of Police | 6,000 |
| A. 2.—POLICE FORCE : | |
| Probable savings | 2,000 |
| A. 4.—ALLOWANCES, HONORARIA, ETC : | |
| Travelling and other allowances | 5,000 |
| | TOTAL |
| | 13,000 (b) |

ACCOUNT IV.—EDUCATION :

Rs.

B.—GOVERNMENT SECONDARY SCHOOLS :

B. 2.—PAY OF ESTABLISHMENTS :

| | |
|---|--------|
| Master, teachers and mistresses | 3,000 |
| B. 4.—LOSSES | 23,000 |

| | |
|-----------------|------------|
| TOTAL | 26,000 (c) |
|-----------------|------------|

ACCOUNT V.—OTHER EXPENDITURE HEADS :

A.—ADMINISTRATION OF JUSTICE :

A. 1.—LAW OFFICERS :

| | |
|--------------------------------|-------|
| Fees to pleaders, etc. | 1,800 |
|--------------------------------|-------|

A. 3.—CIVIL AND SESSIONS COURT :

A. 3 (2).—PAY OF ESTABLISHMENTS :

| | |
|----------------------------|-------|
| Probable savings | 1,000 |
|----------------------------|-------|

A. 4.—COURTS OF SMALL CAUSES :

A. 4 (1).—PAY OF OFFICERS :

| | |
|------------------------|-------|
| Leave salary | 1,900 |
|------------------------|-------|

E.—MEDICAL :

E. 3.—GRANTS-IN-AID FOR MEDICAL PURPOSES :

| | |
|---|-----|
| Payment for the preparation of estimates for the construction of the new Out patients' Department of the Victoria Hospital, Ajmer | 900 |
|---|-----|

I.—COURT OF ENQUIRY AND BOARD OF CONCILIATION CONSTITUTED UNDER THE TRADE DISPUTES ACT :

| | |
|---------------------------------------|-----|
| I. 1.—PAY OF ESTABLISHMENTS | 200 |
|---------------------------------------|-----|

| | |
|-------------------------------|-----|
| I. 2.—OTHER CHARGES | 500 |
|-------------------------------|-----|

K.—MISCELLANEOUS CHARGES :

| | |
|-------------------------------|-------|
| K. 2.—OTHER CHARGES | 1,800 |
|-------------------------------|-------|

L.—FAMINE RELIEF :

| | |
|---------------------------------------|-------|
| L. 1.—PAY OF ESTABLISHMENTS | 1,300 |
|---------------------------------------|-------|

| | |
|-------------------------------|--------|
| L. 2.—OTHER CHARGES | 10,000 |
|-------------------------------|--------|

| | |
|-----------------|------------|
| TOTAL | 19,400 (d) |
|-----------------|------------|

(a) This is required to meet excess due mainly to (i) shortage in recovery on account of the pay of the General Manager, Court of Wards, which is now calculated on the average cost basis whereas the budget was based on the actual pay of the incumbent, and (ii) purchase of surplus stock of opium to be issued on the 1st April 1937.

(b) This is required to meet excess due mainly to the retention of the post of a Deputy Superintendent of Police throughout the year while budget provision was made for only one month, and the increased expenditure on journeys in connection with treasure and prisoners' escorts.

(c) This is required to meet excess due to the non-realisation of cuts made in the budget and the write off of a sum of Rs. 23,000 defalcated in the Government High School, Ajmer.

(d) This is required to meet excess due mainly to famine relief measures in Ajmer Merwara owing to scarcity of fodder, expenses of the Board established for enquiry into the strike of the mills at Beawar, employment of staff in connection with Istimrari Settlement and certain minor payments not anticipated in the budget.

SUPPLEMENTARY DEMAND No. 91
CAPITAL OUTLAY ON INDIAN POSTS AND TELEGRAPHS
(NOT CHARGED TO REVENUE)
(See page 860 of Original Demands)

Original grant { Voted Forty one lakhs and Ninety nine Thousand
Rupees
Non voted Three Thousand Rupees

**SUPPLEMENTARY ESTIMATE of the Amount required in the year ending
31 March 1937 for CAPITAL EXPENDITURE OF THE INDIAN
POSTS AND TELEGRAPH DEPARTMENT**

Voted Six Lakh and Seventy eight Thousand Rupees

CAPITAL OUTLAY NOT CHARGED TO REVENUE-- Rs
 INDIA 6,78,000

A sum of Rs 41 99 000 wa
Demand No 91 Capital Outlay
for the year 1936 37 This grt
Rs 14 09 400 on account of sal
Bombay, including a portion of the land on which it is situated to the Reserve Bank of
India The Reserve Bank subsequently cancelled the negotiations with the Posts and
Telegraphs Department for the purchase of the said property as a result of which the
original grant will be exceeded Certain other credits are however anticipated and
the net excess will now be Rs 6,78,000 A supplementary grant of this amount
is therefore necessary

SUPPLEMENTARY DEMAND No. 92-A.

CAPITAL OUTLAY ON SCHEMES OF AGRICULTURAL IMPROVEMENT
AND RESEARCH.

(See page 861 of Original Demands.)

Original grant : Voted : Seven Lakhs and Twenty-two Thousand Rupees.

I. SUPPLEMENTARY ESTIMATE of the Amount required in the year
ending 31 March 1937 to pay the Expenses in connection with CAPITAL
OUTLAY ON SCHEMES OF AGRICULTURAL IMPROVEMENT
AND RESEARCH.

Voted : Two Lakhs and Ninety-two Thousand Rupees.

II. SUB-HEADS under which this Supplementary Grant will be accounted for
on behalf of the DEPARTMENT OF EDUCATION, HEALTH AND
LANDS.

| | Rs. |
|---|-----------------|
| A.—REMOVAL OF THE IMPERIAL INSTITUTE OF AGRICULTURAL RESEARCH FROM PUSA TO THE DELHI PROVINCE : | |
| A. 2.—WORKS | 1,81,000 |
| A. 3.—AGRICULTURAL LAY OUT | 4,700 |
| A. 4.—EQUIPMENT AND FURNITURE | 78,000 |
| A. 5.—FENCING AND GATES | 3,000 |
| A. 6.—IRRIGATION DISTRIBUTION TO LABORATORIES | 25,300 |
| TOTAL | <u>2,92,000</u> |

III. DETAILS of the foregoing :—

A.—REMOVAL OF THE IMPERIAL INSTITUTE OF AGRICULTURAL RESEARCH FROM PUSA TO THE DELHI PROVINCE :

A. 2.—WORKS—

| | |
|---|-----------------|
| Works outlay | 1,56,000 |
| Departmental charges | 25,000 |
| A. 3.—AGRICULTURAL LAY OUT | 4,700 |
| A. 4.—EQUIPMENT AND FURNITURE | 78,000 |
| A. 5.—FENCING AND GATES | 3,000 |
| A. 6.—IRRIGATION DISTRIBUTION TO LABORATORIES | 25,300 |
| TOTAL | <u>2,92,000</u> |

Provision for these items was entered in the Budget for 1935-36, but the amount was surrendered as the works could not be completed that year. It was also too late to enter the provision in the Budget Estimates for the current year.

SUPPLEMENTARY DEMAND No. 98.

INTEREST FREE ADVANCES.

(See page 876 of Original Demands)

Original grant:—Voted. Seventy-three Lakhs and Fifteen Thousand Rupees

I. SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31 March 1937 for INTEREST FREE ADVANCES

Voted: Six Lakhs and Seventy Thousand Rupees

II. SUB-HEADS under which this Supplementary Grant will be accounted for on behalf of the FINANCE DEPARTMENT.

Rs

| | |
|---|--------------|
| A — ADVANCES REPAYABLE, INDIA—EXCLUDING ALL BOOK KEEPING ADJUSTMENTS AND ADVANCES ON WHICH INTEREST IS CHARGED. | |
| A 1 — CIVIL ADVANCES . | 3,80,000 (a) |
| C — BRONZE COINAGE ACCOUNT | |
| C 1 — BRONZE MINTAGE ACCOUNT—PURCHASE OF METAL | 2,00,000 (b) |
| C. 2 — PROFIT ON BRONZE COINAGE ACCOUNT—CHARGES FOR DESTRUCTION OF COINS | 16,000 (c) |
| D — NICKEL COINAGE ACCOUNT | |
| D. 2.— PROFIT ON NICKEL COINAGE ACCOUNT | |
| D. 2 (1)—CHARGES FOR DESTRUCTION OF COINS | 74,000 (c) |
| | TOTAL |
| | 6,70,000 |

(a) This is required mainly to cover expenditure under Objection Book Advances. These advances are inevitable and a major portion of them is recoverable during the year.

(b) The amount is required to meet the cost of metal required to replenish the mint stock of metal which had fallen low.

(c) These are due to heavier return of uncirculated coin.



INTERIM REPORT

or

THE PUBLIC ACCOUNTS COMMITTEE ON THE ACCOUNTS of 1922-23.

I.—INTRODUCTORY.

1. In this report we deal with the accounts of the year 1922-23, the second year after the introduction of the Reforms and the second year for which the accounts of the voted expenditure of the Government of India have been brought to the scrutiny of a Committee of the Legislative Assembly.

2. The report of the last Committee brought to light certain defects and included various suggestions for improvement; but it could not have any effect on the accounts before us, as it was published in July 1923, three months after the close of the year under review at present. It is not surprising therefore that we have come across a number of the defects already pointed out, but except in those cases in which it was deemed clearly necessary to emphasize the remarks of the previous Committee, we have not referred specifically to them, as we trust that they will not recur in the future. Our report must, however, be considered as supplementary in many respects to last year's report.

3. In considering the Appropriation Reports this year, we had the benefit of the assistance of the Auditor General and of the Accountants General responsible for these reports, namely, the Accountants-General, Central Revenues, Railways and Posts and Telegraphs.

II.—EXCESS OVER VOTED GRANTS

4. The total amount of grants voted by the Assembly for the expenditure (both capital and revenue) of the year 1922-23 stood originally at Rs 144,41,32,000; the final grants as voted in March, amounted to Rs 117,98,27,150; and the total expenditure for the year out of these grants was Rs 113,27,48,503. The expenditure was thus over 31 crores less than the original grant and about 4 $\frac{3}{4}$ crores less than the final.*

5. We have examined carefully the causes of the large variation between the original grant and the actual expenditure, as we thought it desirable to pay particular attention to the possibility of over budgeting under the present system, a point to which we shall revert later in our report. The variation, however, is easily explained. Almost exactly half is due to decisions taken in the course of the year which had the effect of transferring expenditure from voted to non-voted heads. The main cause was the transfer of the lump grant for 'Exchange'

*These figures refer to voted grants only. The final figures of expenditure both voted and non voted as compared with (a) Original (b) Revised Estimates are as follows.—

| | | | Revenue. | Capital. |
|--------------------|----|----|---------------|--------------|
| | | | Rs | Rs |
| Original Estimate | .. | .. | 220,57,90,000 | 33,47,69,000 |
| Revised Estimate | .. | .. | 220,42,35,900 | 24,20,30,000 |
| Actual Expenditure | .. | .. | 218,96,10,359 | 2,96,08,002 |

to the various heads of expenditure, with the result that the loss on exchange attributable to non-voted heads was treated as non-voted. This accounts for no less than 14 $\frac{3}{4}$ crores—the balance of $\frac{3}{4}$ crore is due to the fact that the expenditure on Bangalore, and the assignments to the Provincial Governments of Burma and Assam for the cost of Frontier Police, for which provision had originally been made by the Assembly, were treated as non-voted on account of their being political in nature. The rest is mainly accounted for by the savings in expenditure (both capital and revenue) in Railways and Posts and Telegraphs. There was an underspending of about 2 crores in the Railway grant, which corresponded to the fall in revenue, owing to trade depression; the saving in Posts and Telegraphs was about 68 lakhs and was mainly due to a policy deliberately pursued in view of the financial position of spending as little as possible, even though it meant in many cases merely postponing of inevitable expenditure. As regards capital expenditure, the position was the same. Railways were unable to spend the 30 crores provided for owing to a variety of causes which are now fairly familiar and expenditure fell short of original anticipations by about 11 $\frac{1}{2}$ crores. The underspending under Posts and Telegraphs was about 80 lakhs—due partly to the drastic curtailment of construction and partly to a large receipt from the sale of property which was taken in reduction of expenditure. It is clear that such underspending as was not due merely to a change in classification can be accounted for as either inevitable, as in the case of Railways, or as due to a deliberate resolve to restrict expenditure as in the case of Posts and Telegraphs. This curtailment of expenditure may perhaps be regarded as the result of the shadow cast by the Inchcape Committee which sat at the end of the year and is observable in other departments also, as may be seen from the large saving in actual expenditure even as compared with the Revised Estimates.

6. As compared with the final grants passed in March 1923, which were based on the Revised Estimates, and were 26 $\frac{1}{2}$ crores less than the original grants, there was a total saving in expenditure of Rs. 4,70,78,647. This is mainly explained by the lapses under Railways (capital 273 lakhs; revenue 18 lakhs) and Posts and Telegraphs (capital 45 lakhs: revenue 30 lakhs). A sum of 50 lakhs which had been kept as a reserve provision under 'Exchange' also lapsed at the end of the year. The other variations are of comparatively minor importance.

7. There have been, however, excesses under 23 individual demands aggregating in all Rs. 19,09,207, for which an excess vote of the Assembly is required. We give below a table detailing the excesses:—

Expenditure charged to Revenue—

| | | Rs. | Remarks. |
|-----------------------|----|-----------|---|
| 5 Land Revenue .. | .. | 2,450 | |
| 6 Stamps .. | .. | 10,73,110 | Fewer recoveries from other Governments. No excess over gross grant. |
| 15 Police .. | .. | 9,547 | Partly due to transfer of expenditure from Provincial to Central. |
| 17 Survey of India .. | .. | 3,07,853 | Due to Revised Estimate being too low: no excess over original grant. |
| 18 Meteorology .. | .. | 24,847 | Ditto. |
| 22 Archaeology .. | .. | 24,005 | Ditto. |

Expenditure charged to Revenue—contd

| | | Rs | Remarks |
|--------------------------------------|-------|-----------|---|
| 23 Mines | .. .. | 4,667 | . |
| 24 Other Scientific Depts | .. .. | 3,329 | Mainly due to the distribution of the lump provision under 'Exchange' being slightly incorrect. |
| 25 Education | .. .. | 7,497 | Due to non realization of certain anticipated recoveries |
| 26 Medical Services | .. .. | 23,870 | Due to revised estimate being too low |
| 28 Agriculture | .. .. | 31,894 | Due to Revised Estimate being too low no excess over original grant |
| 31 Aviation | .. .. | 6,208 | Ditto. |
| 33 Census | .. .. | 37,241 | .. |
| 34 B Emigration—External | | 1,019 | Revised Estimate too low. |
| 35 Joint Stock Cos | .. .. | 12,781 | Mainly due to certain expenditure having to be classified as voted whereas provision was made under non voted |
| 36 Mis Departments | .. .. | 13,509 | Revised Estimate too low. |
| 43 Stationery and Printing | | 41,382 | No excess over original grant. |
| 45 Adjustments with Provincial Govts | .. .. | 7,320 | .... |
| Refunds | .. .. | 89,377 | These are inevitable payments and it is impossible to estimate them correctly |
| 48 Delhi | .. .. | 32,943 | .. |
| ✓52 Rajputana | .. .. | 62,042 | .. |
| 53 Central India | .. .. | 66,497 | .. |
| Total | .. .. | 18,83,988 | |

Expenditure charged to capital—

| | | | |
|---------------|-------|--------|--|
| 59 Irrigation | | 25,219 | Due to Revised Estimates being too low No excess over original grant |
|---------------|-------|--------|--|

Disbursement of Loans and Advances—

| | | | |
|---------------------------|--|-----------|--|
| 62 Interest free advances | | 74,49,592 | |
|---------------------------|--|-----------|--|

8 The explanation of most of the excesses is, as will be seen from the above, the practice that obtained in the year under review of basing the final grants for the year on the revised estimates of expenditure prepared by the Finance Department in order to arrive at an approximate idea of the total results of the year's working over all the heads of expenditure. As a whole, the revised estimates proved indeed to have over estimated the expenditure during the year by over 4 crores, but in their distribution over different heads of expenditure voted and non voted, there were naturally some cases in which they proved too low. We are glad to note that, as a result of the recommendations of the Public Accounts Committee in their last report the system has been changed. Consequently, in future years we shall not have this source of excess.

9. As to the other items where excesses have occurred, the excesses under 'Mines' and 'Census' showed that the central control of expenditure was insufficient. We were similarly struck by the absence of any proper system of control from headquarters over the grants made for local areas beginning (in the year 1922-23) with North-West Frontier Province and ending with Bangalore, so much so that it was almost a matter of surprise that the total grants were exceeded only in Delhi, Rajputana and Central India. We could not get a fully satisfactory explanation of these excesses from the representatives of the Departments of the Government of India who control the administration of these areas, chiefly because they were themselves, not unnaturally, ignorant of the details of the expenditure. We were informed that the system had since been improved, but we would suggest that Government should take steps to study thoroughly the question of devising adequate checks against such excesses in future.

10. Before leaving this part of the subject, we feel it necessary to draw attention to certain mis-classifications that have been brought to our notice in the appropriation reports—as a result of which expenditure that ought to have been accounted for as 'voted' expenditure has been shown as 'non-voted' and vice versa. As instances, we would refer to page 15 of the Appropriation Report of the Accountant General, Punjab (1922-23) in connection with the expenditure of the North-West Frontier Province where he says "The excesses under these heads (41—Civil Works) are mainly due to the erroneous adjustment of charges amounting to Rs. 3,49,127 under 'voted' instead of 'non-voted'". Again in page 47 of the Appropriation Report of the Accountant General, Posts and Telegraphs, appears the remark "The excess (Rs. 30,190) is mainly due to a mis-classification between voted and non-voted expenditure. The pay of a Director, Telegraph Engineering, which is subject to the vote of the Assembly has been classified under non-voted expenditure". To take a third instance, in page 250 of the Appropriation Report of the Accountant General, Central Revenues, is shown as non-voted an item of expenditure amounting to Rs. 309 which is stated to represent the cost of a first class passage of an officer from Bombay to Mombassa. So far as we can see, this ought to have been taken as 'voted' expenditure, and if so, would have gone to swell the excess under Grant No. 36—Miscellaneous for which an excess vote is necessary. We mention these instances to show how important, from the point of view of parliamentary control, is a proper classification of these charges in the accounts, for expenditure on any voted head in excess of grants voted by the Assembly cannot be ascertained and may sometimes escape notice altogether if some votable expenditure is by mistake classified under 'non-voted'. We recognize that it is sometimes difficult to determine whether a particular class of expenditure is voted or non-voted, but in view of the importance of this form of mis-classification we trust that the Government of India and the Auditor General will devise some method by which it may be avoided.

11. We also desire to emphasise the importance of correct classification generally. We understand that the Auditor General has put forward a suggestion that the drawing officer should record on the bills presented by him at the treasury the classification of the expenditure to meet which he is drawing the money. We recommend that this suggestion be adopted.

12. In addition to the excesses over grants above-mentioned in the actual expenditure (capital and revenue) of the year, there is an excess of 74½ lakhs under the head 62, Interest-free advances, where—

| | Rs. |
|---|--------------|
| the original grant was | 12,06,37,000 |
| the final grant was | 10,31,12,000 |
| and the actual expenditure was | 11,05,61,592 |

The actual expenditure was a crore below the original grant and the technical excess must in the present case also be attributed to the fact that the revised estimates proved too low. The actual excess occurs under the head ' advances repayable ' and is explained* as due partly, as last year, to the system of accounting in the Army Department and partly to heavier advances being made to contractors. As the grant voted by the Assembly is a gross grant and recoveries are shown as receipts, the excesses under this head are only nominal, being counterbalanced by excess receipts.

13. With these remarks we formally recommend that the Assembly assent to an excess grant for 1922-23 which the Governor General in Council will place before them for the following sums in respect of the heads referred to in the preceding paragraphs :—

| | Rs. |
|--|-----------|
| Expenditure charged to revenue | 18,83,988 |
| Expenditure charged to capital | 25,219 |
| Disbursements of loans and advances | 74,49,592 |

14. Under the terms of our appointment we are required to bring to the notice of the Assembly every re-appropriation from one grant to another grant. We have noticed† in the course of our examination of the Appropriation Reports that the Foreign and Political Department sanctioned in two cases such re-appropriations. One was from savings in Grant No. 46—North-West Frontier Province to Grant No. 50—Ajmer-Merwara (both voted heads), and the other from a non-voted head 29—Political to the voted Grant No. 50—Ajmer-Merwara. These appear, somewhat to our surprise, not to have been objected to by the audit officer concerned. The re-appropriations were not, however, effective, as the grants voted by the Assembly in March were necessarily taken as the final grants, and all re-appropriations were *ipso facto* cancelled. We desire to emphasise the fact that grants voted by the Assembly can be added to only by the Assembly, and that any transfers to a grant from another grant, or from a non-voted head are invalid unless voted by the Assembly.

III.—GENERAL.

15. In commencing this part of our report, where we deal with the general questions that have come under our consideration, we desire to express our gratification at the fact that the Government of India have given effect

* Page 200 (Appropriation Report of the Accountant General, Central Revenues).

† Page 178, *ibid.*

already to most of the recommendations made in the last report of the Public Accounts Committee. These recommendations were made as we have already pointed out long after the expenditure which we have had to examine this year had been incurred ; and the resolution* of the Government of India dealing with it was issued in January 1924. The effect can therefore be seen only when the next year's appropriation reports are ready if even then. We have no doubt, however, that a considerable improvement will be visible in the appropriation accounts for 1923-24.

16. It has been brought to our notice that the Railway Board, in a memorandum on the separation of the Railway from the general Finances have interpreted one of the remarks† in the last report in a sense which we feel sure was far from the intention of the Committee responsible for the report. The remark was as follows :—“ It is not quite clear why a preliminary allocation of the amount for which the Railway Department had decided to place a supplementary demand before the Assembly was not made earlier and communicated to the Railways in anticipation of the sanction of the Assembly to the grant ”. The Railway Board conclude from this that ‘ the Public Accounts Committee have censured the Railway Department for not ignoring the budget ’. We wish to make it clear that there was, and is, no intention to suggest that as a matter of practice, the Railway Board, or any other department, should be encouraged to incur expenditure in anticipation of the sanction of the Assembly. What the Committee intended was that the Railway Board should have decided on a preliminary allocation of the grant between railways beforehand, without waiting till the Assembly had voted the total grant, so that there might be no delay in making the allocation as soon as the grant had been passed. Had this been done no technical excesses due to the failure of the Railway Board to distribute the grant under different units need have occurred. As a general principle, the Committee wish to emphasise again the importance of impressing upon the actual disbursing officers the absolute necessity of obtaining funds from the Assembly before incurring expenditure on voted heads.

17. In connection with the machinery for ensuring proper control of expenditure, we are glad to know that Government are taking steps to make a particular officer responsible for the total expenditure on a particular grant. As we have indicated in previous paragraphs, we have come across cases which suggested that such control had hitherto been far from effective.

18. There were three points referred to in paragraphs 20, 21 and 22 of the last report about which the Committee did not come to any definite conclusion. We have considered them with reference to the views of the Government as expressed in paragraphs 9—11 of their Resolution* No. 37-A. of 15th January 1924 and, in connection with the splitting up of the Railway and Posts and Telegraphs votes, have had the advantage of consulting the Financial Commissioner, Railways and Financial Adviser, Posts and Telegraphs. In regard to this question, Mr. Parsons told us that the Railway Board were at present

* Appendix XIII.

† Para. 38 of the interim report.

considering the desirability of further sub division of the railway vote into such subjects as general administration maintenance, operating expenses, programme revenue, suspense, etc. We understand that the question has been before the Committee for the separation of Railway from general finance. We hope that some solution which will have the effect of increasing parliamentary control over this grant can be arrived at in the near future.

19 The question of splitting up the Posts and Telegraphs votes further is of comparatively minor importance, and we understood from the Financial Adviser (Mr Ryan) that the accounts of this Department were in the process of being commercialised, and any change in the form of the demands might accentuate their difficulties. We have therefore decided to postpone consideration of the general question for the present, but we are glad to learn that the accounts will show the revenue and expenditure of the Postal, Telegraph, and Telephone Departments separately.

20 As regards the question of making the appropriation accounts more elaborate, we understand that the Auditor General has already placed an officer on special duty to go thoroughly into the question and that this officer's report may be expected to be available for consideration by the Public Accounts Committee next year. In the circumstances we make no specific recommendations at present, but we shall be glad if the Auditor General will arrange, in cases where grants for large amounts are involved (e.g. the head 'Direction' under 'Salt') that a sub table showing the variations under the more important items making up these grants is given in the Appropriation Report.

21 We now come to the important question of the powers of executive officers of re appropriation within a vote. We are not convinced that the decision of the Government of India in paragraph 9 of their resolution goes far enough. It is common ground that very frequent use of the powers of re appropriation is undesirable in itself and that the details of the budget should within reasonable limits be adhered to by all subordinate authorities. We do not wish to suggest that all powers of re appropriation except within 'primary units of appropriation' should be withdrawn, for we feel there is much force in the view expressed by Mr McWatters that if re appropriation is not allowed within reasonable limits there would be a tendency for each Department to leave a margin in estimating its requirements and that the cumulative effect of these concealed reserves might be considerable. We think however that it is open to question whether stricter rules should not be framed as to the limits within which re-appropriations should be permissible without prior consultation with the Finance Department and that any cases in which the powers of re appropriation are in his opinion being unduly applied should be carefully brought to notice by the Auditor General.

22 The question of over budgeting is as pointed out by Mr McWatters, intimately connected with the question of re appropriations, and, in view of the extraordinarily large variation between the total of the original grants and the actual expenditure of the year, we investigated the question thoroughly.

23 In paragraph 5 above, we have given explanations of these variations in the total numerous lapses in minor heads that confronted us in the course of our scrutiny of the Appropriation reports can very probably

be, in the majority of cases, explained by the fact that the spirit of retrenchment, so commendable in itself, had taken possession of disbursing officers in general. Mr. McWatters has also assured us that under the present system of framing the budget, the risk of overbudgeting is very slight. We feel however, that we cannot, from the accounts of a single year which moreover was far from normal, express any confident opinion on the question. We trust that the Finance Department though considering the present system 'completely watertight' are fully alive to the risks of overbudgeting and will exercise a watchful care over the estimates as a whole in this respect.

24. In connection with another point which was raised in last year's report* by the Public Accounts Committee, *viz.*, the necessity for separate grants for expenditure in England, we have gone carefully into the question of the preparation of the Demands as a whole with Mr. McWatters, whose assistance and counsel we gratefully acknowledge. We entirely agree with him that in considering the form in which the Demands should be presented, it is desirable to start with the general principle that there should ordinarily be one controlling officer for a grant. Applying this principle to the demands for territorial areas, like Baluchistan, it is easy to see what heads should be excluded from the grant in respect of each area. All expenditure incurred in these areas under the control of outside authorities, *e.g.*, the Central Board of Revenue (Customs, Taxes on Income, Salt, Opium, Stamps), the Controller of the Currency (Currency), the Controller of Printing (Stationery and Printing) should be shown under the respective grants for those heads. Similarly such heads as interest, where also the head of the administration cannot exercise any control should be left out, and the demand for each territorial area should include only items of strictly local interest corresponding, in some measure, to provincial items of expenditure in the case of Governors' Provinces. Such would be General Administration, Forest, Education, Police, Medical and the like.

25. The above arrangement has this drawback that it will not enable the total cost of the Administration to be included in one demand. We consider however that all that is necessary is that it should be possible to find out the total expenditure on any territorial account from the Book of Demands for grants at a glance. This object can be easily achieved by adopting the expedient suggested by Mr. McWatters of showing as a foot-note to the demand the expenditure incurred in that area on each of the several heads which are shown elsewhere together with a comparison of the previous year's figures.

26. Similar arrangements can be made in the grants for 'Expenditure in England.' We agree that it would not be practicable to abolish these grants altogether, and incorporate the various items included in them under the corresponding Indian grants. Moreover, we consider it desirable at present to retain a system which effectually prevents transfer of funds from Expenditure in India to Expenditure in England and *vice versa*. Again, we recognise that it is essential for administrative purposes that the funds placed at the High Commissioner's disposal for sundry purposes, should not be, as it were, kept in watertight compartments as would be the effect if they were in separate grants. In a very real sense, the expenditure is under his

*Para. 10, P. A. C.'s Interim Report, 1921-22.

control and he should have like other authorities powers of reappropriation *within reasonable limits*. It is desirable however that large items like the expenditure on Currency Stores should not be retained in this demand which should so far as we can see include only expenditure on minor stores, leave salaries, and such items of purely English origin as expenditure incurred on Establishments in England.

27. Another point connected with the demands is that of ensuring that in the case of grants like Stamps and Stationery and Printing where recoveries of large amounts are involved, both the gross and net expenditure come under the control of the Assembly. At present the grant is a net grant, and if the recoveries are more than are anticipated, the gross amount which the Assembly intended to grant for the total expenditure can be exceeded without any technical breach of the rules. To prevent the possibility of expenditure of this sort without the sanction of the Assembly, we consider that it would be desirable to obtain a grant for the gross expenditure in all cases as well as for the net expenditure. If any fall in recoveries occurs which has the effect of increasing the net expenditure, a supplementary grant should be obtained from the Assembly.

28. This brings us to the general question of whether these recoveries should be shown on the receipts side of the accounts, or as at present as deductions of expenditure on the disbursements side. This may be taken as part of the general question whether revenus and expenditure should be shown as gross or net in the accounts for a similar difficulty occurs in the case of the Commercial Departments like Railways where at present the accounts show the net revenue, after deducting the working expenses of the undertaking.

29. We print as appendix X to this report a memorandum on the above subject which was presented to us by the Finance Department. We have not had time to discuss this question, but propose to deal with it in a later report.

30. Another very important question that came to our notice in considering the Railway Appropriation report was in connection with the purchase of stores in England. The Assembly votes in March the amount expected to fall due for payment for stores in the course of the next financial year; but, in many cases, orders for these stores have to be placed long in advance, and without the sanction of the Assembly. This practice in effect commits the Assembly to provide a certain sum in future years to pay for these stores. At present we understand the Railway Department obtains from the Finance Department what is technically called 'an advance grant'. This is not really a grant in the sense of an appropriation; it is only an assurance from the Finance Department that it will place before the Assembly when the time comes a demand for the sum in question and it only ensures that the Railway Board does not send indents without the knowledge of the Finance Department. In other words, there is treasury control, but no parliamentary control.

31. We considered various methods of bringing this under the control of the Assembly but could not find any suitable alternative. We think that from the fact that the Assembly votes grants from year to year for Railways, the executive is entitled to assume that they intend that Railways should be carried on,

and, after reviewing the position and taking stock of the stores in hand and the uses to be made of them, to take the necessary steps for the purpose in the belief that their action would be ratified by the provision of funds at least to the extent to which orders had been placed already. This ought to be accepted, we think, as a working convention, but, if a regular Railway Finance Committee is appointed it would in our opinion be desirable for the Railway Board to get the concurrence of that Committee before approaching the Finance Department. The Assembly cannot of course delegate its powers of appropriation to any Committee, but it can reasonably be expected that it would not ordinarily hesitate to ratify the decision of a Committee selected by itself.

32. We now turn to some of the comparatively minor points of general interest that were brought to notice in the course of our scrutiny of these reports. One of the most important is the part that accounts adjustments play in causing excesses over grants. When the adjustments are made in the course of the year, no excesses need take place, except by reason of absence of touch between the audit and administrative authorities. We trust that this defect, traces of which we noticed in the accounts for 1922-23, no longer exists. But, in India, the accounts of a year are kept open for adjustments till a long time after the close of the year, and it is difficult to hold administrative authorities definitely responsible for excesses due to such adjustments. We think however that excesses of this sort can be prevented to a great extent if the following principles are observed :—

- (a) When the budget is being framed, suitable provision should always be made for anticipated liabilities. In illustration of this we would draw attention to the excess under the head 'Police' in grant* No. 52 Rajputana which was due to the adjustment of about Rs. 57,000 on account of arrears of rent payable to the Rajputana-Malwa Railway for Railway quarters since 1919-20.
- (b) Items should not ordinarily be charged in the first instance to a suspense head merely for want of information as to whether the charge is to be borne by the Central Government or a Provincial Government. We understand that it is the rule that expenditure incurred in any year is brought to account and charged to a service head. We think the rule should always be followed, so that, even if there is any doubt as to the ultimate incidence of the charge, it should be debited to the Government incurring the expenditure pending a final decision, the amount being if necessary recovered in a later year from the Government which was actually liable.
- (c) As far as possible, it should be settled, before any expenditure is incurred, which Government should bear the cost. In the accounts for 1922-23 we came across a curious instance of expenditure amounting to Rs. 7,060, on a Committee appointed early in 1922 by the Government of Bombay in connection with country craft registration and measurement rules. This was treated in the accounts as Central expenditure as it related to a Central subject; but no provision could be made for the expenditure as the Government of India first learnt of it in December 1923.

*Page 181, A. G. C. R.'s Appropriation Report.

33 A case* has been brought to our notice where a clerk was granted leave on average pay for 14 months. This seems to have been in excess of that allowed under the rules, which we gather are not too easy of comprehension. We understand that leave on average pay for 9 months and 2 days was admissible in this particular case, and that ordinarily, on medical certificate, leave on average pay for 8 months would be admissible. This shows it seems to us, the necessity of again drawing attention to the recommendations of the Inclosure Committee with reference to the desirability of amending the leave rules which seem to be unnecessarily complicated. We understand that the Government have the question of revision of these rules under their consideration and we trust that the decision will be expedited.

34 The Auditor General has brought to our notice the fact that in the year under review, there was an increase in the number of devaluations and irregularities in the civil and military departments. We draw attention to this, in order to give expression to our opinion that the value of proper local inspections by the administrative and audit authorities should not be underestimated and that economies resulting in the reduction of such inspection tend to defeat their own object.

35 A suggestion has been put before us that it is desirable that there should be an inventory of all Government property—buildings, furniture and the like—so that the total value of Dead Stock in the possession of Government can be arrived at at least approximately. We hope the suggestion will be carefully considered by the Government, as also the question of the adequacy of the existing system of checking Dead Stock Registers.

IV—PARTICULAR ACCOUNTS

Irrigation

36 We find† that owing to the system of distribution of charges on account of establishment and tools and plant between Civil Works and Irrigation, an excess may occur under one of the grants, by the portion of the plant over the combined grants.

We understand that the Auditor General is submitting proposals to Government in order to secure a better control of expenditure and is suggesting separate grants for establishment and tools and plant. We have not been able to discuss his detailed proposals and cannot therefore give a definite opinion on them at present.

Education

37 The excesses under this head are due largely to the fact that anticipations in regard to recoveries from the Rajkumar College, Rajkot, and the Aitchison College, Lahore, were not realized. We understand that, though the only liability that has been undertaken by Government is the definite subvention promised, the practice is that the total expenditure is met initially by Government and all but the fixed grant recovered from the Colleges later. We do not consider it proper that, when the Assembly

*Audit Report of the A.G.C.R.

†Page 38, Accountant General, Central Revenues' Appropriation Report

sanctions a definite amount for the purpose, the Government should spend a much larger amount in the hope (not always realised) of recovering the amount spent in excess of the grant; and if the practice is to be continued, we think that the Assembly should be invited to sanction the gross expenditure. But we do not recommend this course in these cases. We are of opinion that either the practice of meeting the expenditure initially should be abandoned, or steps should be taken to ensure recoveries being made in advance.

Census.

38. The expenditure against this grant seems to indicate some insufficiency of proper control at headquarters and absence of touch between the audit and administrative authorities.

39. We suggest that in cases where non-recurrent expenditure for a particular object continues over more than a year, the appropriation accounts should contain a statement comparing the total expenditure from the beginning of the period with the total sanctioned grants. Examples where a comparison would be useful, apart from this vote, are such items of expenditure as the visit of the Prince of Wales, Commissions of Enquiry, etc.

Central India.

40. We notice that the excesses are mainly due to revision of pay with retrospective effect and to the insufficient provision made for it. We hope that the first cause will not be operative in future as Government have already issued instructions* that retrospective effect to revisions of pay should not be given except in special circumstances. As to the second, we trust that all disbursing officers are by now aware† of the paramount necessity of obtaining grants sufficient to cover the voted expenditure which may be incurred within the year.

Railways.

41. We were interested in the statistics given in para. 18 of the Appropriation Report of the Accountant General, Railways, showing the percentage ratio of working expenses to gross earnings in individual Railways in the years 1921-22 and 1922-23. We think it would be useful if we could have similar statistics with regard to the more important minor heads under the head 'Working Expenses,' so as to enable a comparison to be made between particular Railways in particular respects. The Auditor General has promised, if possible, to include further statistics on the above lines in future reports.

42. The other point to which we wish to draw special attention in this part of our report is the alarming increase‡ in payment of compensation claims by the East Indian Railway for goods lost or damaged. The amount increased from 27 lakhs the previous year to 53 lakhs in 1922-23.§ This increase though partly due to payment of arrears is undoubtedly a serious matter, specially as there is little doubt that even these large amounts paid as

* Para. 12 of Finance Department Resolution No. 37-A., dated the 15th January 1924.

† Para. 8, *ibid.*

‡ Para. 19, Audit Report of Accountant General, Railways.

§ Page 21, Appropriation Report, Accountant General, Railways.

compensation are far below the actual loss to the public by pilfering, 'etc. We understand that a special staff is being employed to deal with this, but it is too early to say what will be the results of the change.

Posts and Telegraphs.

43. The Auditor General has brought to our notice that a sum of about 17 lakhs representing the claim of the Government of India against the Iraq Administration for 1920-21 has been outstanding since 1921. We were informed later by the Accountant General, Posts and Telegraphs, that payment has provisionally been made recently. We agree with the Auditor General in suggesting that the question of claiming interest for the period for which it was outstanding should be considered by Government.

44. In page 25 of the Appropriation Report of the Accountant General, Posts and Telegraphs, we came across a curious saving of a lakh which is explained as follows :—

"At the time of the annual verification of stores by actual count there is always the probability of a small discrepancy between the actual count and the book balance. The difference is written off to 'Stores' as stock adjustment. The estimated debit on this account was Rs. 20,000, whereas the actual turned out to be a credit to the extent of Rs. 82,000."

This matter is being further investigated, but it is a reasonable inference from the statements made to us that the previous stock-takings had been very faulty. We have been assured by the Director General that he is taking steps to improve the system of verifications.

45. We discussed at length with the Director General the causes of the fall in postal revenue in 1922-23. It is difficult to determine whether the fall was due mainly to the increased rates of postage or the general depression in trade and we have been unable to come to a conclusion in the matter. We suggest that Government should investigate the question departmentally, for we feel sure that it will be extremely useful if any reliable data could be collected to throw light on the effect on revenue resulting from these causes separately.

46. Another question that we discussed with the Director General was the possibility of reducing the superior staff in his department, for some of us feel that retrenchment has left them practically untouched and has spent its force on the rank and file. There is force in what he has said about the impossibility of reduction of officers proportionately to the reduction in staff, but we are of opinion, specially in view of the recommendations of the Retrenchment Committee, that the matter requires further investigation.

Military.

47. It has been brought to our notice by the Auditor General that under arrangements in force prior to 1st April 1923 no charge was made by the Army to other departments in respect of stores issued by the former and similarly no debit was raised by other departments against the Army for supply of stores, but, as a result of the recommendation made by the Retrenchment Committee, it has now been ruled that when stores were issued by the Army to other departments, a debit should be raised against the department concerned. It

appears that there is at present no corresponding liability on the Army and that when it receives stores, *e.g.*, stationery, etc., it receives them free of charge. We consider that this system is *prima facie* incorrect and suggest that the question of having the arrangements between the Army and other departments put on a reciprocal basis should be considered by the Government of India.

Conclusion:-

48. In conclusion, we desire to add that we have dealt in the preceding paragraphs only with the more important points that have come to our notice in the course of our examination of the appropriation accounts of the year 1922-23. There are certain other points of minor importance which have come under our consideration, but which we have not dealt with specifically in the report. Our opinions thereon will be found in the minutes of our meetings which are appended to this report and should be considered as part of it.

6th September 1924.

BASIL P. BLACKETT.

K. C. NEOGY.

N. M. JOSHI.

S. K. DATTA.

HUGH G. COCKE.

K. AHMED.

V. N. MUTALIK.

GULAB SINGH.

K. RAMA AIYANGAR.

SHAMLAL NEHRU.

W. S. J. WILLSON.

MAURICE WEBB.

Proceedings of the first Meeting of the Public Accounts Committee held at Delhi on the 19th March 1924.

PRESENT

The Hon'ble Sir BASIL BLACKLETT (*Chairman*)

Mr N M JOSHI

Mr RAMA AYYANGAR

Mr W S J WILLSON

Mr H G COCKE

Sardar V N MOTALIK

Sardar GULAB SINGH

Mr H CALVERT

Mr K C NEOGY

Sir FREDERIC GAUNTLETT, (*Auditor General*), was also present

After a short statement by the Chairman on the aims and objects of the Committee, the discussion on the Accountant General, Central Revenues' Audit Report for 1922-23 was taken up

(a) Financial irregularities (p 4)

Item 3 (iii)—The Committee were of opinion that Remittance Transfer Receipts should be accounted for in the month of issue and not in the month of payment

On this Sardar Mutahik raised the question of "the lapse of grants at the end of the financial year" and whether it was not possible to prevent such lapse. The Chairman whilst admitting the reasonableness of the request, pointed out the many difficulties in accounting as well as in practice which prevented Government from taking the course suggested by the Sardar Sahib

The Auditor General desired that a circular* issued about 7 years ago on

*Appendix IV the subject should be circulated to the Members

Item 3 (vii)—The Committee were of opinion that this was a sort of irregularity that should be discouraged and the officer deserved censure immediately

Item 3 (viii)—The Committee endorsed the view taken by the Government of India that it was a serious irregularity and the Government of India should have been approached as required by rules

' Purpose of journey' altered in a travelling allowance bill to save a reference to the Government of India

Delay in payment of a contractor's bill

Item 3 (xv)—The Committee attached great importance to the prompt payment of bills

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(b) *Frauds and Embezzlements*.—Malwa Agency (page 11). The Committee desired a more detailed report.*
Money misappropriated by a clerk in the Agency office.

Government money stolen from the iron safe of the Headmaster.

*Appendix V.

Coorg Central High School, Mercara (page 12).—The Committee wanted a more illuminating report.*

Hyderabad Treasury (page 13).—The Committee desired that the final result* of the case should be reported to them. Money drawn from Treasury on forged receipts.

Proceedings of the second Meeting of the Public Accounts Committee held on Friday the 30th May 1924.

PRESENT:

The Hon'ble Sir Basil Blackett (*Chairman*).

Mr. N. M. Joshi.

Mr. K. C. Neogy.

Mr. K. Rama Ayyangar.

Mr. W. S. J. Willson.

Mr. K. Ahmed.

Mr. H. G. Cocke.

Sardar V. N. Mutualik.

Mr. C. A. H. Townsend.

Dr. S. K. Datta.

Sir Frederic Gauntlett (Auditor General) was also present.

The Committee first considered the Resolution of the Government of India on the Report of the Public Accounts Committee on the accounts of the year 1921-22. Appendix XIII.

One of the members raised the question of the circulation of documents referred to in the Audit and Appropriation Reports. It was decided that if any of the members desired to have copies of any published documents, he should communicate with the Secretary of the Committee. The circulation of other papers would be left to the decision of the Committee as a whole.

2. It was next considered whether the main meetings of the Committee should be held immediately after the present session or immediately before the September session of the Assembly and the majority were of opinion that the former course would be more convenient.

3. The Committee desired that a representative of the Finance Department should be asked to attend at a later meeting in order to explain to them

what action had been taken on the points raised in paragraphs 6 and 8 of the Resolution. As regards the question of control of expenditure, it was decided that the representatives of the various Departments, when appearing before the Committee, should be asked to explain the exact nature of the steps taken towards that end.

4 The Committee discussed at length the question considered in paragraph 9 of the Resolution. A suggestion was made that it was advisable to reconsider the matter of allowing any powers of reappropriation to the Government, the argument being that the Assembly in granting a demand granted it for the particular purposes detailed in the Demands for Grants. The Chairman thought that probably the views expressed in paragraph 9 of the Resolution did not go quite far enough and that the Public Accounts Committee might recommend that the Finance Department should prevent too frequent reappropriations and should see that the details of the Budget are adhered to by the different Departments within reasonable limits. The point was reserved for further consideration later.

5 The Committee next discussed the suggestion made in the previous Committee's report of splitting up some of the present demands under different heads. The Chairman mentioned that the question of splitting up the head General Administration into several heads was under consideration. As regards the heads "Posts and Telegraphs" and "Railways" the Committee decided to take up the point with the Financial Adviser, Posts and Telegraphs, and the Financial Commissioner Railways.

6 The Committee then began a discussion of the Appropriation Report of the Accountant General Central Revenues for 1922-23 together with the Auditor General's letter forwarding the same. The question was raised as to how far over budgeting occurs at present and what are the means to prevent it. The Committee desired that an officer of the Finance Department should be requested to attend at a later meeting and to explain the present position.

Proceedings of the third Meeting of the Public Accounts Committee held on 21st of August 1924

PRESENT

The Hon'ble Sir BASIL BLACKETT, *Chairman*

Mr K C NEOGY

Dr S K DATTA

Sardar GULAB SINGH

Sardar V N MUTALIK

Mr K AHMED

Sir FREDERIC GAUNTLETT (Auditor General) and

Mr M K. GHATAK (Accountant General, Central Revenues) were also present

The Committee considered the Appropriation Report of the Accountant General Central Revenues, in detail

Grant No. 3 Salt.—The Committee first discussed the question of requiring more details to be given in the appropriation accounts in the case of grants for large amounts like that under Direction under this head. The Chairman was of opinion that it would be desirable if a sub-table showing the variations under the more important items which were included in these large amounts could be given in the Appropriation Report. A suggestion was made that the number of minor heads could probably be increased with advantage. The Auditor General explained that an officer was being placed on special duty to consider the possibility and desirability of elaborating the information contained in the Appropriation Report and his report would probably be available for discussion by the Public Accounts Committee next year. Meanwhile, the Committee decided to postpone consideration of this question till a future meeting in order to go through the preliminary Report of the Auditor General on this subject, which had already been circulated to them.

Grant No. 5 Land Revenue.—This was the last year in which this head would appear in the accounts. The Committee were prepared to recommend that an excess grant should be granted by the Assembly to cover the slight excess under this head.

Grant No. 6 Stamps.—The Committee desired that Mr. Ascoli should be asked to attend at a later meeting to give them a general explanation of the decreases in recoveries from Provincial Governments and the Posts and Telegraphs Department.

Grant No. 7 Forests.—With regard to the saving of Rs. 17,000 under the head "General Direction, India," it was understood that the expenditure had been kept in suspense because it was doubtful at the time whether the charge should be borne by Central revenues or not. The Committee was of opinion that the charging of items to a suspense head instead of finally to a service head in the accounts was ordinarily undesirable. They were further of opinion that, in general, expenditure incurred in any year should be brought to account in that year and if there was any doubt as to whether the amount should properly be debited to some other Government, it should not be kept in suspense but should be debited to the Government incurring the expenditure pending a decision and, if necessary, recovered next year from the Government which was actually liable.

Grant No. 9 Irrigation.—The Auditor General raised the question of the desirability of having separate grants for establishment and for tools and plant which would cover all such expenditure both for Irrigation and for Civil Works. He explained that he was making a definite suggestion to the Government of India about the adoption of a new procedure in this respect. The question was reserved for further consideration at a later meeting.

Grant No. 15 Police.—The Auditor General explained that the excess was due to leave salary paid to officers whose salaries are charged to Provincial revenues in respect of leave earned during their military service during the war, and pointed out that similar cases occurred under other heads.

Grant No 17 Survey of India—The excess under this head was due to the fact that the revised estimate based on 8 months actuals was far too low. The Committee were prepared to recommend an excess grant.

Grant No 18 Meteorology Grant 22 Archaeology—In both these cases there was a slight excess as compared with the final grant but the expenditure kept well within the original grant. The Committee were prepared to recommend an excess grant.

Grant No 23 Mines—The Committee desired that the administrative Department should be asked to send an officer at a later meeting to explain the causes of the excess under this head.

Grant No 24 Other Scientific Departments—The slight excess under this head was due mostly to the distribution of loss by exchange being slightly out in the case of this Department. The Committee were prepared to recommend an excess grant.

Grant No 25 Education—The Committee wanted to know why the recoveries in the case of Rajkumar College, Rajkot and Aitchison College, Lahore, could not be made in time.

Grant No 28 Agriculture Grant No 29 Medical Services—In both these cases as the actual expenditure was within the original grant and the excess was due only to the revised estimates being incorrect, the Committee were prepared to support a demand for excess grants.

Grant No 31 Aviation—The Committee desired that an officer of the administrative Department should be asked to explain to them the exact distribution of the expenditure on aviation between the Army Estimates and the Civil Estimates and to give fuller details of the grant of Rs 4 000 sanctioned by the Government of India to meet transport charges of aeroplanes presented to certain private gentlemen (referred to on page 89 of the Accountant General, Central Revenues Appropriation Report).

The Committee adjourned at 1 o'clock and assembled again at 3 o'clock in the afternoon. Mr Webb attended in addition to the Members present in the morning.

Grant No 33 Census—The Committee desired that a representative of the administrative Department should be asked to give evidence before them with regard to the excess under this head. They desired particularly to know why the additional grant asked for by the Government of Madras was not sanctioned and whether the excess in Bihar and Orissa due to the adjustments of expenditure wrongly adjusted the previous year was brought to the notice of the administrative Department by the Accountant General in sufficient time to permit of a supplementary grant being asked for.

Grant No 34 B Emigration—The Committee were prepared to recommend an excess grant for the slight excess under this head.

Grant No. 35 Joint Stock Companies.—The excess under this head under voted expenditure was counterbalanced by a saving in non-voted expenditure and consequently the Committee agreed to recommend an excess grant.

Grant No. 36 Miscellaneous Departments.—The total expenditure under this head was less than the original grant though it exceeded the final grant by over Rs. 28,000. The Committee were prepared to agree to an excess grant.

Grant No. 42 Superannuation Allowances and Pensions.—The Committee were struck by the inadequacy of the original grant under the head Superannuation Allowances and Pensions where large additions had to be made later. It was explained that since the incidence of pensions between the Central and the Provincial Governments was changed in 1921-22, and this was the beginning of a new period, the actual estimating of the Central Government's portion was unusually difficult.

Grant No. 43 Stationery and Printing.—The Committee postponed consideration of this grant till they could examine Mr. Ascoli generally on the question of the preparation of these estimates and particularly with reference to the recoveries from other Departments and Governments. They also desired that a representative of the Finance Department should explain to them what action had been taken to give effect to the suggestion of the last Public Accounts Committee in para. 27 of their Report which was accepted by the Government of India.

Grant No. 44 Miscellaneous.—The Committee desired to have fuller particulars of the excess in Bombay under the head "Special Commissions of Enquiry" and requested that an officer of the administrative Department concerned should be asked to attend to explain it to them.

Grant No. 45.—In connection with the fact noted in the Appropriation Report that 59 lakhs originally provided for under this head was omitted later, the payment having been classified as Political, the Auditor General explained that the decision whether expenditure was voted or non-voted rested with the Governor General and not with himself.

Grant No. 46 Refunds.—The Committee recommended an excess grant under this head as the refunds in question were inevitable payments and it was clearly difficult to make a proper estimate of the expenditure far ahead.

Grant No. 47.—In connection with this grant the question was raised of the necessity of having the form of the Budgets, Accounts and Appropriation Reports similar, so that they could easily be compared with one another. The Committee also desired to know in detail the basis on which territorial demands like the demand for Baluchistan were framed. They noticed that the expenditure on account of income-tax in Baluchistan in 1922-23 was shown under this head while in 1924-25 the system was apparently changed and such expenditure was shown under the head "Taxes on Income". They desired that Mr. McWatters, who, they understood, would give evidence on certain other points, should also be asked to explain the position in detail to them.

Proceedings of the 4th Meeting of the Public Accounts Committee held on Saturday, the 23rd August 1924.

PRESENT

The Hon'ble Sir BASIL BLACKETT (Chairman).

Mr K C NEOGY.

Dr S K DATTA.

Sardar GULAB SINGH.

Sardar V N MOTALIK.

Mr K AHMED

Mr M WEBB

Sir FREDERIC GAUNTLETT (Auditor General) and Mr M. K. GHARAK (Accountant General, Central Revenues) were also present

The following witnesses were examined by the Committee. A report of the evidence will be found in Volume II —

Mr Harris (Department of Industries and Labour) in connection with Grant No 31 Aviation

Mr Higgs (Foreign and Political Department) in connection with Grant No 25 Education

Rai Bahadur J P Ganguli (Department of Industries and Labour) in connection with Grant No 23 Mines

Mr Sloan (Home Department) in connection with Grant No 33, Census

Rai Bahadur S N. Bannerjee (Commerce Department) in connection with Grant No 44 Miscellaneous

After discussing the points raised in the evidence of the witnesses examined, the Committee decided to recommend excess grants to cover excesses under all the heads.

They were not satisfied that the method adopted with regard to the presentation of the demand in respect of the expenditure incurred by the Government of India on the Rajkumar College, Rajkot, and the Aitchison College, Lahore, was quite correct. They were of opinion that if Government desired to continue the practice of meeting the expenditure initially and recovering the major part of it from the educational bodies concerned, it would be preferable from the standpoint of strict accounting to require the gross expenditure to be granted by the Assembly instead of the actual subvention as at present. They did not recommend this course however as they considered it undesirable to undertake further responsibility with regard to these Colleges. They thought that steps should be taken to ensure that recoveries were made in advance so that Government did not at any time spend more than the net amount sanctioned by the Assembly.

They considered that the excesses under Mines and Miscellaneous showed the necessity of improvement of the control from Headquarters. In the latter case especially the expenditure without sanction was quite irregular. It was true that, at the time at which the expenditure began to be incurred, it was not known that the charge would fall upon Central revenues, but, the Committee desired that it should be made quite clear that as a general rule expenditure should not be incurred without its being settled in advance as to who should bear the cost, and proper sanction for the expenditure should be obtained and funds provided beforehand.

As regards the excess under Census the Committee considered that two defects were disclosed. There was want of touch between the Accountant General and the administrative authorities and apparently there was also want of proper control by the Census Commissioner of the expenditure in the provinces. They hoped that the instructions issued by the Government of India on the last Report of the Public Accounts Committee would result in a considerable improvement in the future.

Proceedings of the 5th Meeting of the Public Accounts Committee held on Monday the 25th August 1924.

PRESIDENT :

The Hon'ble Sir BASIL BLACKETT, *Chairman.*

Mr. K. C. NEOGY.

Dr. S. K. DATTA.

Sardar GULAB SINGH.

Sardar V. N. MUTALIK.

Mr. K. AHMED.

Mr. M. WEBB.

Mr. RAMA AYYANGAR.

Mr. N. M. JOSHI.

Pandit SHAMLAL NEHRU.

Mr. H. G. COCKE.

10-30 a.m.—Sir Frédéric Gauntlett (Auditor General), Mr. A. A. L. Parsons (Financial Commissioner, Railways) and Mr. G. W. V. de Rhe Philipe (Accountant General, Railways) were also present.

The Committee considered in detail the Appropriation Report of the Accountant General, Railways, for 1922-23.

Paragraph 1.—It was explained by Mr. Philipe that the arrangement referred to in this paragraph to guard against commitments being entered into for expenditure on stores consisted in each Railway compiling a monthly statement of such commitments and comparing it with the grant available for expenditure. He also explained that individual Railways had now no power to sanction purchases of foreign coal and all applications had to be sanctioned by the

Railway Board Mr Parsons added that two or three applications had been received this year and, to the best of his knowledge, none had been sanctioned by the Railway Board

Paragraph 2—The Committee discussed at length the question of splitting up the grants under this head. Mr Parsons explained that the Railway Board was at present engaged in considering a sub division of this vote. The provisional idea was to split it up by subjects such as general administration, maintenance, operating expenses, programme revenue, suspense &c. He explained that sub division according to each Railway would be very inconvenient in practice and would not conduce to increased control by the Assembly of the expenditure. As this question would probably be discussed by the Committee for the separation of Railway from General Finance, the Public Accounts Committee did not wish to pursue it further at this stage. They hoped that some solution which would have the effect of increasing Parliamentary control over this giant could be arrived at in the near future.

Paragraph 4—The question was raised of the desirability of having a separate suspense head under revenue to record transactions in regard to stores which were destined finally to be charged to a revenue head. Sir Frederic Gauntlett explained the practical difficulties that would arise if this suggestion were adopted.

Paragraph 5—The Committee then discussed the question of improving the statistics given in the Appropriation Report as regards the results of the working of the Railways. It was suggested that there ought to be a method by which Railways could ascertain under any particular minor head whether one particular Railway was not more extravagant than others. The Auditor General promised that when the next Appropriation Report was prepared he would see whether statistics, similar to those on page 7 showing percentages of actual expenditure compared with gross earnings, could be given about the more important minor heads.

Paragraph 33—In connection with this paragraph it was pointed out that in the Memorandum circulated to members of the Committee for the separation of Railway from General Finance the Railway Board had interpreted the recommendation in paragraph 38 of the last Report of the Public Accounts Committee as asking them to anticipate the sanction of the Assembly in regard to expenditure. The Committee wanted to make it clear that it was not the intention to suggest that as a matter of practice the Railway Board should anticipate the sanction of the Assembly.

Mr Philipe explained at some length the scope of the suspense head and the transactions which affected it. In reply to a question as to the procedure under which indents could be sent Home before money was provided, Mr Philipe explained that indents had to be sent a good deal in advance and some months before the year opened the Railway Board obtained from the Finance Department what was called an advance grant. When the Budget was drawn up the advance grant was included in the total grant. The Finance Department thus took upon itself the responsibility of anticipating the appropriation by the Assembly of certain money for the purpose of the purchase of stores. The Finance Department was careful enough to give anticipatory authority

for only a comparatively small proportion of the total which it was going to ask from the Assembly for this purpose. In Mr. Philipe's opinion, the only way by which it would be possible to devise some system by which the authority of the Assembly need not be anticipated by the Finance Department was for the Assembly, when considering the demand for any year, to sanction a figure for the next year up to which advance indents could be sent ; but as the Chairman pointed out this would require an amendment of the Government of India Act. The Chairman added that from the fact that the Assembly was annually voting grants for Railways the executive was entitled to assume that they intended that Railways should be carried on and to take the necessary steps for the purpose in the belief that their action would be ratified by the Assembly by the provision of funds at least to the extent to which orders had been placed already. The Committee were inclined to agree that there ought to be a working convention that the executive could anticipate within limits a proportion of the grant, but they also thought that if, as was possible, a regular Railway Finance Committee was appointed as a result of the separation of Railway finance, it would be desirable for the executive to consult that Committee before taking action. The Assembly could not of course delegate its powers of appropriation to any Committee, but it ought probably to be expected that it would ratify the decisions of a Committee selected by itself.

The Committee then went into the appropriation accounts in detail by minor heads and made the following comments :—

Page 18 explanation 2.—Mr. Parsons undertook to get an explanation as to why the write-back was not foreseen.

Page 21 (1).—The Committee desired an explanation as to the excess under the head Bengal-Nagpur Railway. *Prima facie* the introduction of the water system ought to have been foreseen and provision made for it either in the original or in the supplementary grant.

Page 21 (3) East Indian Railway.—The Committee felt that it would have been more useful if approximate figures showing the excesses under each of the various causes mentioned in the Report had been given. They were also of opinion that the large increase in the payments of compensation claims was a serious matter and ought to be looked into. Mr. Parsons explained that special staff were being employed but it was too early to say what would be the result of this change.

The Committee had finished consideration of the Appropriation Report of the Accountant General, Railways, when they adjourned till 3 P.M. They decided to take up the audit report at a later date.

In the afternoon the Committee resumed consideration of the Appropriation Report of the Accountant General, Central Revenues. All the members present in the morning with the exception of Pandit Sham Lal Nehru were present. Sir Frederic Gauntlett and Mr. Ghatak were also present.

In considering the territorial demands the Committee discussed the question of whether the powers of reappropriation granted to minor local Governments were not excessive, but decided to postpone a decision on this question till they had heard Mr. McWatters on this point.

Grant No 17, Baluchistan — They agreed with the Accountant General, Central Revenues, that the local Government ought to have asked in time for the necessary allotment to meet the anticipated excess under Famine Relief.

Grant No 48, Delhi — The Committee desired that a representative of the Administrative Department should be asked to attend at a later Meeting to explain to them the excess under this grant. They were particularly struck by the large excess under the head "Charges on account of the Prince of Wales' Visit", and desired an explanation on the point. They also discussed the general question of whether it was desirable to show in the demand and accounts, net expenditure, as apparently was done for special reasons in this case, or whether gross expenditure should be taken as invariable case. The Chairman promised to have a memorandum (Appendix X) on the general question circulated to the members.

Ajmer Meruara — The Committee noticed that the Foreign and Political Department had sanctioned reappropriations from one grant to another in two cases which were beyond the powers of the Government of India. They desired that this matter and the excess under the head of Rajputana should be explained to them by a officer of the Foreign and Political Department at a later meeting.

Central India — The Committee noticed that the excesses were mainly due to revision of pay with retrospective effect and to the insufficient provision in the revised estimates on account of this. While they were prepared to agree to an excess grant under this head they hoped that measures would be taken to prevent excesses of this sort in future.

Grant No 36, Miscellaneous (page 250) — The Committee did not understand why this charge had been taken as non voted. Apparently it was a reclassification of expenditure and the excess under grant 36 voted should really be increased by this amount.

Grant No 42, non voted (page 263) — The Committee wanted further explanation of the expenditure of Rs 12,110 on refunds of annuity deductions.

Grant No 41, Miscellaneous non voted (page 268) — The Committee wanted to know further particulars of the expenditure of Rs 9,921 under Miscellaneous and unforeseen charges in order to find out why the expenditure was classified as non voted.

Proceedings of the 6th Meeting of the Public Accounts Committee held on Tuesday, the 26th August 1924—3 p.m.

Present

The Hon'ble SIR BASIL BLACKETT, *Clerk man.*

Mr N M JOSHI

Mr K C NEOGI.

Mr K AHMED

Mr K RAMA AYYANGAR.

Mr W S J WILLSON.

Mr. H. G. COCKE.

Sardar V. N. MUTALIK.

Sardar GULAB SINGH.

Dr. S. K. DATTA.

Pandit SHAMLAL NEHRU.

Mr. M. WEBB.

SIR FREDERI GAUNTLETT (*Auditor General*), MR. BADENOCH (*Accountant General, Posts and Telegraphs*) and MR. ROYAN (*Financial Advisor, Post and Telegraphs*) were also present.

The Committee considered the Appropriation Report of the Accountant General, Posts and Telegraphs, for the year 1922-23.

Paragraph 2.—Mr. Ryan gave a brief explanation showing at what stage the actual commercialization of the accounts of the Posts and Telegraphs Department was at present. A discussion in which all the members took part followed, among the chief points discussed being whether it was proper to charge interest on capital expenditure financed in previous years from revenue which, as pointed out by certain members, included the profits made by the Postal Department in prosperous years, and whether the Posts and Telegraphs Department was at present run at a loss or at a profit.

The question of splitting up the Demand into a number of smaller grants was also taken up ; Mr. Ryan deprecated any haste in the matter. He thought it was best to go on as at present till they had some experience of the commercialization of the accounts as otherwise he thought great inconvenience would be caused in accounts.

The Committee were glad to acknowledge the efforts made by the Accountant General in his report to give them an intelligible account of the expenditure on the Indo-European Telegraph Department.

They next considered the appropriation accounts in detail and commented on the following points :—

Page 17.—They noticed that there was a reduction of clerks and menials during the year under review but apparently there was no corresponding reduction in officers. They desired to discuss with the Director General the question of whether the higher staff at his disposal was not more than sufficient for his requirements.

Page 25.—Saving of one lakh under the head ' stores'.—The Committee were not quite clear as to the actual nature of this saving and desired that the Director General should be asked to give them a full statement of the exact position from the officer responsible for the verification.

Page 27.—Stationery and Printing.—The steps taken to watch the Stationery and Printing grant with the help of the monthly statement which the Controller, Stationery and Printing, sent to the Director General, were explained to the Committee. The Committee observed with gratitude that their comments in the last year's Report had resulted in an improvement of the machinery for watching the progress of expenditure.

7. To ~~the~~ ^{the} Posts and Telegraphs to show the exact nature of the charges
harged to the Posts and Telegraphs
the cost of special trains.

Page 32.—With reference to the explanation of the saving of Rs. 3,63,000 under the head "Contingencies", which was to the effect that the sale of stamps to the public did not come up to expectations, they wanted to have a full explanation from the Director General as to the extent of the fall in revenue and traffic in the Department during the year and how much of it was due to the increase in postal rates.

Page 35.—With reference to the accounts of the Indo European Telegraph Department the question was raised whether the fact that the Indo-European Telegraph Department was not under the control of the Government of India but under that of the Director-in-Chief in London caused administrative inconvenience. Mr. Ryan remarked that the question of disposing of the Indo-European Telegraph Department to the Home Government was at present under discussion.

Page 44.—In connection with the saving of 31½ lakhs under telegraph buildings referred to, which was explained as due to the sale of Bombay Telegraph Stores Depôt to the Great Indian Peninsula Railway, Mr. Ryan explained that it was possible that they might have to write back a good deal of that figure in the accounts for a later year.

Sir Frederic Gauntlett drew attention to the Appendix to his letter in connection with this Appropriation Report, and the Committee desired that the Government of India should consider carefully the matter referred to therein, specially the question of charging interest on the amounts due. They understood from the Accountant General that payment of the sum in question had been made provisionally.

Proceedings of the 7th Meeting of the Public Accounts Committee held on Wednesday, the 27th August 1924.—11 a.m.

Present:

The Hon'ble SIR BASIL BLACKETT, *Chairman.*

Mr. N. M. Joshi,

Mr. K. C. NEOGY-

Mr K. AHMED.

MR. K. RAMA AYYANGAE.

Ms. IV S. 1. Wilson.

Mr. H. G. COCKE.

Sesder GULAB SINGH.

Sandar V. N. MITALE

Dr. S. K. DATTA.

Pandit SHAMLAL NEHRU.

Mr. M. WEBB.

SIR FREDERIC GAUNTLETT (*Auditor General*), Mr. BADENOCH (*Accountant General, Posts and Telegraphs*), Mr. RYAN, (*Financial Adviser, Posts and Telegraphs*) and Mr. SAMS (*Director General, Posts and Telegraphs*) were also present.

The Committee considered the non-voted portion of the Appropriation Report of the Accountant General, Posts and Telegraphs, for 1922-23. They had no remarks to offer except to draw attention to the misclassification which resulted in voted expenditure being shown as non-voted and *vice versa* which were recorded in this Report as well as in other Reports they had considered. Mr. Sams was then examined at considerable length on the question of the possibility of the reduction of the superior gazetted staff as a measure of retrenchment, in view of the fact that clerical and menial staff had been reduced and touring had been curtailed. He was also examined as to the extent to which the increase in the rates of postage in 1922-23 was responsible for the reduction in revenue. A report of the evidence will be found in Volume II.

Proceedings of the 8th Meeting of the Public Accounts Committee held on Thursday, the 28th August 1924.—3 p.m.

PRESENT :

The Hon'ble SIR BASIL BLACKETT, *Chairman*.

Mr. K. C. NEOGY.

Dr. S. K. DATTA.

Sardar GULAB SINGH.

Sardar V. N. MUTALIK.

Mr. K. AHMED.

Mr. M. WEBB.

Mr. RAMA AYYANGAR.

Mr. W. S. J. WILLSON.

Mr. H. G. COCKE.

Pandit SHAMLAL NEHRU.

Sir FREDERIC GAUNTLETT (*Auditor General*) was also present.

The Committee examined the Hon'ble Mr. McWatters, Secretary, Finance Department, with regard to the following points :—

1. Form of the Demands for Grants with special reference to the necessity of special territorial grants and the grant for expenditure in England and the desirability of restricting powers of reappropriation under each head.

2. Question of over-budgeting.
3. The desirability of making particular officers responsible for particular grants.
4. The possibility of taking steps to see that in the case of grants where large recoveries were anticipated, both the gross and net grants should be subject to the control of the Assembly.

A report of the evidence will be found in Volume II.

Proceedings of the 9th Meeting of the Public Accounts Committee held on Friday, the 28th August 1924.—3-30 p.m.

PRESENT:

The Hon'ble SIR BASIL ELACKETT, *Chairman.*

Mr. K. C. NEOGY.

Dr. S. K. DATTA.

Sardar GULAB SINGH.

Sardar V. N. MUTALIK.

Mr. K. AHMED.

Mr. M. WEBB.

Mr. RAMA AYYANGAR.

Mr. W. S. J. WILLSON.

Mr. H. G. COCKE.

Mr. N. M. JOSHI.

Pandit SHAHLAL NEHRU.

Sir D.—

Mr. RYAN (*Financial Adviser, Accountant General, Posts and General, Posts and Telegraphs*)

we were also present.

With reference to the discussion on a previous occasion regarding the actual profit or loss that could be shown by the Posts and Telegraphs Department if a proper set of commercial accounts were maintained, the Chairman explained that the loss depended on the amount which should be taken as representing the pensionary liability of the Department. It had been suggested that 70 lakhs should be taken as the measure of this liability. This was based on the rates of contribution payable by officers sent on foreign service, which were perhaps not quite suitable for this purpose.

a truer measure could be obtained by making an arbitrary percentage addition of 50 per cent. to this figure, thus taking the liability at 45 lakhs. If that were so the Department would probably be found to be running even, without either a considerable loss or profit.

The Committee then examined Mr. Sams and Mr. Ryan on the points they had left over for consideration in the Appropriation Report.

Page 25.—Mr. Ryan undertook to get a statement explaining exactly what the credits under the head Stores were due to, and Mr. Sams explained that he was taking steps to reduce, as far as possible, such discrepancies, but pointed out that they could not be eliminated altogether.

Mr. Sams also gave the Committee the information that they wanted with regard to items on page 29 relating to the cost of levy in Baluchistan and special trains.

The Committee then considered in detail the Audit Report of the Posts and Telegraphs Department.

The further action taken on the financial irregularities noticed in this Report was explained by Mr. Sams and Mr. Badenoch. This is summarised in a statement which will be found in Appendix VIII to this Report.

A copy of the circular issued by the Director General, Posts and Telegraphs, on the financial irregularities noticed in the Audit Report was handed in by Mr. Sams and will also be found in Appendix IX.

Paragraph 7.—The Committee wished to draw attention to the dangers of reducing the inspection staff in the manner shown in this paragraph. They agreed that the office of postmaster and treasurer should not have been continued in one post and that the Superintendent was quite wrong in allowing this.

Paragraph 10.—It was understood that the Director General was issuing a circular that when there was a *prima facie* case against a man he ought generally to be prosecuted.

Paragraph 19.—The Director General explained, in extenuation of this offence, that the officer in question had been ordered by his superior officer to treat the bicycles as scrap.

Paragraph 20.—The Committee understood that the irregular practice referred to in this paragraph had now been stopped.

Paragraph 25 (d).—The Director General explained that he had issued orders that advances should be scrutinized carefully in future.

Paragraph 27 (b).—General orders had been issued to prevent a recurrence of this sort of irregularity.

Paragraph 33.—The question was raised as to the necessity for employing women clerks on a higher rate of pay in the postal department. The Director General referred to the fact that the same question had been raised in the Assembly some time ago and his predecessor had undertaken not to employ women in more than one per cent. of the vacancies. He thought that the few women employed were of a quality to justify the extra payment and that if the same pay was given to men clerks, they could not get the same quality. The Committee wished to draw the attention of Government to the necessity of seeing that the practice of employing women clerks should not be continued except where it was clearly desirable in the public interest.

Paragraph 39.—The Committee were of opinion that a similar question should be taken up by the other audit officers with regard to the expenditure coming within their audit.

The Committee then discussed the question of expenditure in March. They understood from the Auditor General that there were very stringent instructions which, if carefully followed, would prevent any serious irregularities resulting from the natural desire of disbursing officers to postpone expenditure till the end of the year in order that, on the one hand, they might not overspend their grants and, on the other, that grants already made for their requirements should not be allowed to lapse. It was pointed out that in a good many of the cases brought to notice the fact that the expenditure in March was considerably more than the average for the previous 11 months did not necessarily point to an irregularity.

The question was raised whether there was any check of the furniture, etc., belonging to Government. The Committee desired that it should be considered by the Government of India whether some sort of dead stock account should not be given in the accounts to show, at least approximately, the total value of all Government property in buildings, furniture and the like.

The Committee then discussed with the Director General the question that had been raised at a previous Meeting whether the decrease of postal revenue in 1922-23 was due to the higher rates of postage or to trade depression. The Director General could not give any further statistics to show clearly whether the receipts of the Department had any definite relation to the prosperity or otherwise of trade during the year. The Committee considered that it would be interesting to know whether as a matter of fact the decrease in 1922-23 had anything to do with the trade depression of that year or could mostly be accounted for by the higher rates of postage, and suggested that it would be worth while if Government could enquire into the matter.

In conclusion, the Committee desired to express their appreciation of the excellent Report on the accounts of the Posts and Telegraphs Department drawn up by Mr. Badenoch and also their gratification to see the close co-operation between the administrative and audit departments which was disclosed in the Report.

Proceedings of the 10th Meeting of the Public Accounts Committee held on Saturday, the 30th August 1924.—11 a.m.

PRESENT :

The Hon'ble Sir BABEL BLAUKETT, *Chairman.*

Mr. K. C. NEOGY.

Dr. S. K. DATTA.

Sardar GULAB SINGH.

Sardar V. N. MOTALIK.

Mr. K. AHMED.

Mr. M. WEBB.

Mr. RAMA AYYANGAR.

Mr. W. S. J. WILLSON.

Mr. H. G. COCKE.

Pandit SHAMLAL NEHRU.

11 a.m.—SIR FREDERIC GAUNTLETT (Auditor General) was also present.

The Committee first examined Mr. Higgs of the Foreign and Political Department on the question of the excesses under Ajmer-Merwara and Rajputana referred to on pages 178 and 181 of the Appropriation Report of the Accountant General, Central Revenues.

Page 178, Heads 45 and 32.—They noted that reappropriations from one grant to another were beyond the powers of the Government of India.

Page 181, Head 26.—They considered that provision should have been made for outstanding liabilities at the time the Budget was drawn up.

Head 31:—Apparently the excess was known in time for suitable provision to be made for an additional grant. The Committee felt that the system of control exercised by the Government of India over grants for minor local Governments was hardly satisfactory. They were glad to be assured by the representative of the Foreign and Political Department that the system had been improved since.

They then examined Mr. Jukes and Mr. Sloan in connection with the grant for Delhi. Mr. Jukes explained the excess over the Royal Visit. The note in the Appropriation Report explained only a part of the excess, and much the smaller part. The real excess was due to the fact that the expenditure on special trains, etc., was nearly double of what was anticipated and that bills amounting to 2½ lakhs were received very late in the year. It was observed also that there was no particular reason why the cost of the Prince of Wales' Visit should have been taken under the head Delhi. The Secretary next read out to the Committee a statement (Appendix XI) containing information that he had been asked to get on certain points.

The Committee then discussed the Audit Report of the Accountant General, Central Revenues.

Paragraph 5 (h).—In connection with this the Committee were inclined to think that it was desirable that some steps should be taken to have leave accounts checked periodically, but they understood from the Auditor General that this might involve considerable extra cost. They were of opinion, however, that the question should be considered by Government. Apart from this they desired to draw attention to the Inchcape Committee's recommendations regarding the leave rules. They understood that at present in many cases the rules were too complicated. They were glad to find that a departmental enquiry about the leave conditions of Government servants in India was at present in progress and they hoped that it would be expedited.

Paragraph 8 (2).—The Committee would have been glad if the actual amount of money irregularly spent in this connection had been shown in the Report. They desired that audit officers should, in future, be instructed to give actual figures of expenditure as far as possible in their reports.

Paragraph 8 (5).—The Committee considered that the question of recovery of fees raised in this paragraph deserved further consideration.

Paragraph 21.—The Committee noted with grave concern that the percentage of works started without estimates was considerably more than in the previous year and suggested that Government should take steps to see that this defect was put right.

Proceedings of the 11th Meeting of the Public Accounts Committee held on Tuesday, the 2nd September, 1924.

11 A.M.

PRESENT :

The Hon'ble Sir BASIL BLACKETT, *Chairman.*

Mr. K. C. NEOGY.

Mr. N. M. JOSHI.

Dr. S. K. DATTA.

Mr. M. WEBB.

Mr. W. S. J. WILLSON.

Sardar V. N. MUTALIK.

Mr. K. AHMED.

Mr. RAMA AYYANGAR.

Pandit SHAMLAL NEHRU.

Sir FREDERIC GAUNTLETT (*Auditor General*), Sir BHUPENDRA MITRA (*Financial Adviser, Military Finance*) and Lieutenant-Colonel ROSS (*Military Accountant General*) were also present.

The Committee discussed the points raised in the Audit and Appropriation Reports of the Army, Marine and Military Works accounts for 1922-23 together with the letters of the Auditor General to the Government of India dealing with these Reports.

The Committee were of opinion that it would be convenient if a comparison of the expenditure in England with the initial and final grants could also be included in future Appropriation Reports.

The Committee discussed with Sir Bhupendra Mitra the whole question of cost-accounting with regard to the criticisms of the Auditor General regarding the present system and the suggestion made by him that a detailed investigation into the whole system of cost accounts should be made. Sir Bhupendra Mitra was definitely of opinion that an investigation would be of no use. They had already had such an investigation in England where the Committee which included two Chartered Accountants had decided in favour of the maintenance

of the cost-accounting system. The system they had recommended followed in many respects the present Indian system. The Committee hoped, however, that the detailed criticisms made by the Auditor General should be carefully looked into by Government.

The Committee understood that at present while the Army charged other departments for value of stores issued, the latter had to supply the former with stores free of charge. The Committee agreed with the Auditor General's criticism that such a rule was *prima facie* incorrect and they recommended that the question should be looked into.

The Committee noticed that during the year under review the number of irregularities and defalcations was unusually high. They were glad to be assured by Sir Bhupendra Mitra and Sir Frederic Gauntlett that the position had been considerably improved since then.

The work in the Department was seen to have been much in arrears in 1922-23. It was understood that matters were improving, but the Committee desired to express its opinion that arrears, involving incidentally delays in payment, should be avoided as far as possible and hoped that further steps would, if necessary, be taken to remove the defects in the working of the department.

**Proceedings of the 12th Meeting of the Public Accounts Committee held on Saturday, the 6th September, 1924—
2-30 p.m.**

PRESENT :

The Hon'ble Sir BASIL BLACKETT, *Chairman.*

Mr. N. M. JOSHI.

Mr. H. G. COCKE.

Mr. K. K. AHMED.

Mr. M. WEBB.

Mr. RAMA AYYANGAR.

Dr. S. K. DATTA.

Sir FREDERIC GAUNTLETT (*Auditor General*) was also present.

The Committee examined Mr. Ascoli, Controller of Stationery and Printing, with reference to the preparation of the budget for stationery and printing and the framing of estimates for recoveries from Provincial Governments, and other departments in the case of stationery and printing and stamps. A report of the evidence will be found printed in Volume II.

The Committee desired that the Auditor General should consider the question of giving in the Appropriation Reports information about the actual state at the beginning and end of the year of the store accounts in cases where large stocks are held.

After Mr. Ascoli's examination was finished, the Committee discussed the draft report and made certain changes therein.

APPENDIX I.

| Name of grant. | ORIGINAL GRANT. | | NET GRANT AVAILABLE (INCLUDING MODIFICATIONS SANCTIONED BY COMPTENT AUTHORITY). | |
|--|-----------------|--------------|--|--------------|
| | Voted. | Non-voted. | Voted. | Non-voted. |
| A.—EXPENDITURE CHARGED TO REVENUE. | Rs. | Rs. | Rs. | Rs. |
| Customs . . . | 60,49,000 | 6,56,000 | 61,60,000 | 8,41,000 |
| Taxes on Income . . . | 42,56,000 | 2,75,000 | 41,88,000 | 2,66,000 |
| Salt | 1,32,90,000 | 39,68,000 | 1,20,68,000 | 39,41,000 |
| Opium | 1,84,32,000 | 1,08,000 | 1,86,91,000 | 1,16,000 |
| Land Revenue . . . | 1,48,000 | ... | 1,54,000 | 15,000 |
| Excise | ... | ... | 5,000 | 6,000 |
| Stamps | 11,28,000 | ... | 2,08,000 | ... |
| Forests | 7,41,000 | 4,48,000 | 8,93,000 | 4,63,000 |
| Railways (inclusive of working expenses and payment of surplus profit to Railway Companies). | 73,67,79,000 | 20,96,48,000 | 66,60,60,000 | 26,20,00,000 |
| Irrigation, Navigation, etc. | 14,32,000 | 23,000 | 13,25,000 | 38,000 |
| Indian Postal and Telegraph Department. | 9,36,63,000 | 80,52,000 | 8,92,74,000 | 74,16,000 |
| Indo-European Telegraph Department. | 16,40,000 | 4,03,000 | 28,45,000 | 4,34,000 |
| Interest on miscellaneous obligations. | 3,23,63,000 | ... | 3,14,88,000 | 90,000 |
| General Administration . | 71,33,000 | 31,99,000 | 88,52,000 | 43,53,000 |
| Audit | 72,19,000 | 6,77,000 | 68,47,000 | 5,57,000 |
| Administration of Justice . | ... | ... | 3,000 | 41,000 |
| Jails and convict settlements. | ... | ... | 1,000 | 16,000 |
| Police | 7,000 | ... | 15,000 | 83,000 |
| Ports and pilotage . . | 11,27,000 | 11,34,000 | 11,43,400 | 10,47,600 |
| Survey of India . . . | 25,24,000 | 9,85,000 | 17,34,000 | 9,31,000 |
| Meteorology | 5,83,000 | 1,31,000 | 5,56,000 | 79,000 |
| Geological Survey . . . | 2,20,000 | 4,26,000 | 1,51,000 | 2,84,000 |
| Botanical Survey . . . | 26,80,000 | 29,000 | 26,75,000 | 19,000 |

| ACTUAL EXPENDITURE. | | DIFFERENCE BETWEN GRANTS AND EXPENDITURE. SAVINGS (-); EXCESSES (+). | | Total difference + or -. |
|---------------------|--------------|--|------------|--------------------------------|
| Voted. | Non-voted. | Voted. | Non-voted. | |
| Rs. | Rs. | Rs. | Rs. | Rs. |
| 61,57,003 | 8,18,264 | -2,907 | -22,736 | -25,543 |
| 40,78,043 | 2,49,696 | -1,09,957 | -16,304 | -1,26,261 |
| 1,09,81,148 | 40,97,528 | -10,86,852 | +1,56,528 | -0,30,324 |
| 1,85,05,734 | 1,03,057 | -1,85,266 | -10,943 | -1,00,209 |
| 1,56,450 | 13,853 | +2,450 | -1,147 | +1,303 |
| 4,312 | 3,364 | -688 | -2,636 | -3,324 |
| 12,81,110 | | +10,73,110 | .. | +10,73,110 |
| 8,16,323 | 4,03,516 | -76,677 | +516 | -76,161 |
| 66,42,40,341 | 25,84,15,532 | -18,10,659 | -35,84,468 | -54,04,127 |
| 11,68,533 | 1,22,504 | -1,56,167 | +84,594 | -71,573 |
| 8,68,45,820 | 72,01,284 | -24,28,171 | -2,14,716 | -26,42,887 |
| 23,15,588 | 4,20,861 | -5,20,412 | -13,136 | -5,42,548 |
| 3,06,08,537 | 76,591 | -8,79,463 | -13,409 | -8,92,872 |
| 84,65,768 | 44,10,572 | -3,86,242 | +66,572 | -3,10,670 |
| 66,04,246 | 5,90,559 | -2,42,754 | +33,559 | -2,09,195 |
| 2,421 | 46,358 | -579 | +5,358 | +4,779 |
| 254 | 17,809 | -746 | +1,809 | +1,063 |
| 24,547 | 89,127 | +0,547 | -13,873 | -4,326 |
| 10,67,325 | 10,28,611 | -76,075 | -18,989 | -95,064 |
| 20,41,653 | 8,68,567 | +3,07,853 | -62,433 | +2,45,420 |
| 5,60,847 | 84,403 | +24,847 | +5,403 | +30,250 |
| 1,47,441 | 2,82,922 | -3,559 | -1,078 | -4,637 |
| 19,05,935 | 25,599 | -7,00,005 | +6,599 | -7,02,466 |

| Name of grant. | ORIGINAL GRANT. | | NET GRANT AVAILABLE (INCLUDING MODIFICATIONS SANCTIONED BY COMPETENT AUTHORITY). | |
|---|-----------------|-------------|---|-------------|
| | Voted. | Non-voted. | Voted. | Non-voted. |
| | Rs. | Rs. | Rs. | Rs. |
| Zoological Survey . . . | 1,41,000 | 36,000 | 1,39,000 | 40,000 |
| Archæology . . . | 14,72,000 | 1,28,000 | 12,58,000 | 1,05,000 |
| Mine | 98,000 | 1,29,000 | 1,03,000 | 1,07,000 |
| Other Scientific Departments. | 3,57,000 | 2,000 | 5,40,000 | 95,000 |
| Education | 3,01,000 | ... | 3,10,000 | 19,000 |
| Medical Services . . . | 7,79,000 | 4,11,000 | 8,48,000 | 3,56,000 |
| Public Health | 9,59,000 | 1,38,000 | 8,69,000 | 1,42,000 |
| Agriculture | 7,73,000 | 3,46,000 | 6,84,000 | 3,04,000 |
| Civil Veterinary Services . | 6,38,000 | 79,000 | 6,89,000 | 76,000 |
| Industries | 74,000 | 36,000 | 18,000 | 7,000 |
| Aviation | 34,000 | 14,000 | 26,000 | 15,000 |
| Commercial Intelligence (including Statistics). | 3,34,000 | 1,46,000 | 2,57,000 | 72,000 |
| Census | 8,47,000 | 1,75,000 | 3,30,000 | 1,88,000 |
| Emigration—Internal . | 1,12,000 | 23,000 | 77,000 | 18,000 |
| Emigration—External . | 22,000 | 9,000 | 23,000 | 4,000 |
| Joint Stock Companies . | 1,11,000 | 16,000 | 1,05,000 | 16,000 |
| Miscellaneous Departments | 8,75,000 | 1,73,000 | 9,67,000 | 1,93,000 |
| Currency | 28,86,000 | 1,78,000 | 47,23,000 | 1,61,000 |
| Mint | 19,64,000 | 1,44,000 | 17,06,000 | 1,14,000 |
| Exchange | 9,95,50,000 | ... | 50,00,000 | ... |
| Civil Works—P. W. . . | 1,52,08,000 | 2,05,000 | 1,36,13,000 | 13,88,000 |
| Civil Works—Civil . . | 41,000 | ... | ... | ... |
| Superannuation allowances and pensions. | 24,73,000 | 2,12,69,000 | 35,82,900 | 3,21,73,000 |

| ACTUAL EXPENDITURE | | DIFFERENCE BETWEEN GRANTS AND EXPENDITURE SAVINGS(-), EXCESS(+) | | Total difference + or - |
|--------------------|-------------|---|------------|-------------------------------|
| Voted | Non voted | Voted | Non voted | |
| Rs | Rs | Rs | Rs | Rs |
| 1,37,104 | 39,659 | -1,896 | -341 | -2,237 |
| 12,82,005 | 91,248 | +24,005 | -13,752 | +10,253 |
| 1,07,667 | 1,07,619 | +4,667 | +619 | +5,286 |
| 5,43,329 | 92,117 | +3,329 | -2,883 | +446 |
| 3,17,497 | 10,457 | +7,497 | -8,543 | -1,046 |
| 8,71,870 | 4,06,365 | +23,870 | +50,365 | +74,235 |
| 8,61,572 | 1,34,930 | -17,428 | -7,070 | -24,498 |
| 7,15,894 | 3,00,154 | +31,894 | -3,846 | +28,048 |
| 6,81,108 | 79,070 | -7,892 | +3,070 | -4,822 |
| 12,160 | 1,881 | -5,840 | -5,119 | -10,959 |
| 32,208 | 14,400 | +6,208 | -600 | +5,608 |
| 2,41,557 | 66,391 | -15,443 | -5,609 | -21,052 |
| 3,67,241 | 1,73,524 | +37,241 | -14,476 | +22,765 |
| 74,729 | 17,208 | -2,271 | -792 | -3,063 |
| 24,019 | 3,600 | +1,019 | -400 | +619 |
| 1,17,781 | . | +12,781 | -16,000 | -3,219 |
| 9,80,509 | 1,74,995 | +13,509 | -18,005 | -4,406 |
| 45,81,744 | 1,66,039 | -1,41,256 | +5,039 | -1,36,217 |
| 14,27,935 | 1,13,384 | -2,78,065 | -616 | -2,78,681 |
| .. | .. | -50,00,000 | .. | -50,00,000 |
| 1,31,82,865 | 2,88,135 | -4,30,135 | -10,90,865 | -15,30,000 |
| .. | .. | .. | .. | .. |
| 33,55,487 | 3,15,89,826 | -2,27,413 | -5,83,174 | -8,10,587 |

| Name of grant. | ORIGINAL GRANT. | | NET GRANT AVAILABLE (INCLUDING MODIFICATIONS SANCTIONED BY COMPETENT AUTHORITY). | |
|---|-----------------|--------------|---|-------------|
| | Voted. | Non-voted. | Voted. | Non-voted. |
| | Rs. | Rs. | Rs. | Rs. |
| Stationery and Printing . . . | 63,54,000 | 12,000 | 59,59,000 | 23,000 |
| Miscellaneous . . . | 11,56,000 | 26,26,000 | 17,12,000 | 26,71,000 |
| Adjustments with Provincial Governments. | 63,29,000 | .. | 3,86,000 | .. |
| Refunds . . . | .. | .. | 41,71,000 | 5,77,02,000 |
| North-West Frontier Province. | 1,03,49,000 | 1,41,79,000 | 1,04,79,000 | 92,99,000 |
| Baluchistan . . . | 26,81,000 | 45,45,000 | 26,89,000 | 42,98,000 |
| Delhi . . . | 29,41,000 | 3,38,000 | 33,68,000 | 4,48,000 |
| Coorg . . . | 12,02,000 | 1,22,000 | 12,38,000 | 1,00,000 |
| Ajmer-Merwara . . . | 14,11,000 | 1,22,000 | 14,53,000 | 1,29,000 |
| Andamans and Nicobar Islands. | 47,14,000 | 2,08,000 | 43,94,000 | 1,74,000 |
| Rajputana . . . | 4,37,000 | 8,05,000 | 4,75,000 | 10,43,000 |
| Central India . . . | 5,04,000 | 7,98,000 | 6,04,000 | 7,77,000 |
| Hyderabad . . . | 1,87,000 | 3,60,000 | 1,74,000 | 3,72,000 |
| Bangalore . . . | 13,79,000 | 51,000 | .. | 36,90,000 |
| Expenditure in England under the control of the Secretary of State for India. | 33,26,000 | 12,91,000 | 31,08,000 | 14,57,000 |
| Expenditure in England under the control of the High Commissioner for India. | 60,06,000 | 26,39,000 | 70,25,000 | 28,16,000 |
| Interest on debt and Sinking Fund. | .. | 11,96,46,000 | .. | 1,91,99,000 |
| Ecclesiastical . . . | .. | 29,48,000 | .. | 28,49,000 |
| Political . . . | .. | 1,13,10,000 | .. | 1,64,13,000 |
| Territorial and Political pensions. | .. | 28,12,000 | .. | 27,27,000 |

| ACTUAL EXPENDITURE. | | DIFFERENCE BETWEEN GRANTS AND EXPENDITURE. SAVINGS (-); EXCESS (+). | | Total difference + or -. |
|---------------------|--------------|---|--------------|--------------------------------|
| Voted. | Non-voted. | Voted. | Non-voted. | |
| Ra. | Ra. | Ra. | Ra. | Ra. |
| 60,00,382 | 20,202 | +41,382 | -2,798 | +38,584 |
| 15,71,325 | 26,29,783 | -1,40,675 | -41,217 | -1,81,892 |
| 3,93,320 | .. | +7,320 | .. | +7,320 |
| 42,60,377 | 5,86,27,636 | +89,377 | +9,25,636 | +10,15,013 |
| 1,03,13,308 | 1,00,93,005 | -1,65,692 | +7,94,005 | +6,28,313 |
| 26,76,232 | 45,09,432 | -12,768 | +2,11,432 | +1,98,664 |
| 34,00,943 | 4,16,414 | +32,943 | -31,586 | +1,357 |
| 11,82,774 | 1,07,036 | -55,226 | +7,036 | -48,190 |
| 14,29,119 | 1,32,817 | -23,881 | +3,847 | -20,034 |
| 37,91,308 | 1,90,283 | -6,02,692 | +16,283 | -5,86,409 |
| 5,37,642 | 10,43,519 | +62,642 | +519 | +63,161 |
| 6,70,497 | 8,02,468 | +66,497 | +25,468 | +91,965 |
| 1,68,177 | 3,54,273 | -5,823 | -17,727 | -23,550 |
| .. | 38,77,739 | .. | +1,87,739 | +1,87,739 |
| 27,73,324 | 14,68,282 | -3,34,676 | +11,282 | -3,23,394 |
| 66,38,849 | 25,88,705 | -3,88,151 | -2,27,295 | -6,13,446 |
| .. | 13,08,93,912 | .. | +1,16,94,912 | +1,16,94,912 |
| .. | 27,20,958 | .. | -1,28,042 | -1,28,042 |
| .. | 1,68,47,269 | .. | +4,34,269 | +4,34,269 |
| .. | 26,77,123 | .. | -49,877 | -49,877 |

| Name of grant. | ORIGINAL GRANT. | | NET GRANT AVAILABLE (INCLUDING MODIFICATIONS SANCTIONED BY COMPETENT AUTHORITY). | |
|--|-----------------|----------------|---|----------------|
| | Voted. | Non-voted. | Voted. | Non-voted. |
| | Rs. | Rs. | Rs. | Rs. |
| Army | .. | 61,70,33,000 | .. | 65,65,11,000 |
| Marine | .. | 1,33,96,000 | .. | 1,28,48,000 |
| Military Works . . . | .. | 4,67,85,000 | .. | 5,16,21,000 |
| Total . . . | 1,10,99,45,000 | 1,09,58,45,000 | 93,84,39,300 | 1,26,57,96,600 |
| B.—EXPENDITURE CHARGED TO CAPITAL. | | | | |
| Railways | 29,97,53,000 | 2,47,000 | 21,13,93,000 | 2,60,000 |
| Irrigation | 2,69,000 | .. | 2,00,000 | .. |
| Capital outlay on Telegraphs | 1,45,00,000 | .. | 1,10,36,000 | .. |
| Delhi Capital outlay . | 1,96,65,000 | 3,35,000 | 1,87,58,850 | 3,91,150 |
| Total . . | 33,41,87,000 | 5,82,000 | 24,13,87,850 | 6,51,150 |
| C.—DISBURSEMENTS OF LOANS AND ADVANCES. | | | | |
| Interest free Advances . | 12,06,37,000 | .. | 10,31,12,000 | .. |
| Loans and advances bearing Interest. | 6,73,59,000 | .. | 12,68,04,000 | .. |
| Total . . | 18,79,96,000 | .. | 22,99,16,000 | .. |
| Grand Total . . | 1,63,21,28,000 | 1,09,64,27,000 | 1,40,97,43,150 | 1,26,64,47,750 |

| ACTUAL EXPENDITURE. | | DIFFERENCE BETWEEN GRANTS AND EXPENDITURE, SAVINGS (—); EXCESSES (+). | | Total difference + or — |
|---------------------|----------------|---|------------|-------------------------------|
| Voted. | Non-voted. | Voted. | Non-voted. | |
| Rs | Rs. | Rs. | Rs. | Rs. |
| .. | 64,05,44,170 | .. | —69,66,830 | —69,66,830 |
| .. | 1,39,98,618 | .. | +11,50,618 | +11,50,618 |
| .. | 4,90,00,187 | .. | —26,20,813 | —26,20,813 |
| 92,37,73,826 | 1,26,58,36,533 | —1,46,65,474 | +39,933 | —1,46,25,541 |
| 18,40,95,088 | 2,47,217 | —2,72,97,912 | —12,783 | —2,73,10,695 |
| 2,25,219 | .. | +25,219 | .. | +25,219 |
| 65,62,006 | .. | —44,73,994 | .. | —44,73,994 |
| 1,80,92,364 | 3,87,068 | —6,66,486 | —4,082 | —6,70,568 |
| 20,80,74,677 | 6,34,285 | —3,24,13,173 | —16,865 | —3,24,30,038 |
| 11,05,61,592 | .. | +74,49,592 | .. | +74,49,592 |
| 10,89,28,354 | .. | —1,78,75,646 | .. | —1,78,75,646 |
| 21,94,89,946 | .. | —1,04,26,054 | .. | —1,04,26,054 |
| 1,35,22,38,449 | 1,26,64,70,818 | —5,75,04,701 | +23,068 | —5,74,81,633 |



APPENDIX II.

MEMORANDUM FROM THE OFFICIATING UNDER SECRETARY TO THE GOVERNMENT OF INDIA, DEPARTMENT OF INDUSTRIES AND LABOUR, TO THE FINANCE DEPARTMENT, SIMLA, NO. A.-517, DATED THE 30TH JULY 1923.

SUBJECT.—*Supply of certain information to the Public Accounts Committee.*

At their meeting held on the 28th June 1923 the Public Accounts Committee asked for information as to the course of prices of paper and other materials in 1919-20 and 1920-21 and the dates when contracts for supply were entered into and whether the price depended on the price at the time of the contract or at the time of delivery.

2. A statement is enclosed showing the course of prices of paper and principal miscellaneous articles of stationery purchased on contract during 1919-20 to 1922-23. The contracts for these stores were settled on the dates shown below :—

| | Paper. | Miscellaneous Stationery articles. |
|---------|--------------------------|---------------------------------------|
| 1919-20 | . . . 11th February 1919 | Early in March. |
| 1920-21 | . . . 15th March 1920. | 25th February 1920. |
| 1921-22 | . . . 8th March 1921. | 7th March 1921. |
| 1922-23 | . . . 14th March 1922. | 15th March 1922. |

Contracts for imported articles are made by the Director-General of Stores, India Stores Department, London.

The prices for paper and other materials are fixed by the quotation made at the time of tender.

Statement showing the course of prices of paper and principle miscellaneous

| Item No. | Description of articles. | 1919-20. | | | 1920-21. | |
|----------|--------------------------------------|-----------|-----------|--------------|-----------|-----------|
| | | Quantity. | Rate. | Per. | Quantity. | Rate. |
| | | | Rs. A. P. | | | Rs. A. P. |
| 1 | Paper Tons | 10,618 | 790 0 0 | Ton. | 8,410 | 739 0 0 |
| 2 | Inkpowder Blue Black Bundles | 300,000 | 1 3 0 | Doz. Bundle. | 350,000 | 1 5 0 |
| 3 | Ink Stylo (Blue Black and Red). | 8,700 | 3 12 0 | Doz. | 16,000 | 3 9 9 |
| 4 | Corba Cloth . . . Pieces | 8,000 | 59 0 0 | 100 piece | 8,000 | 61 0 0 |
| 5 | Cloth Wax . . . " | 20,000 | 2 7 0 | Piece | 22,000 | 2 7 6 |
| 6 | Leather Sheep, uncoloured " | 20,000 | 0 15 0 | " | 35,000 | 1 1 6 |
| 7 | " " small. " | 6,000 | 0 13 0 | " | 5,000 | 0 14 0 |
| 8 | " " coloured " | 3,000 | 1 5 0 | " | 3,000 | 1 5 0 |
| 9 | " Calf . . . " | 3,000 | 3 1 0 | " | 2,800 | 3 5 0 |
| 10 | Gum Arabic . . Maunds | 500 | 36 0 0 | Maund | 500 | 35 8 0 |
| 11 | Thread Cotton . . . " | 120 | 2 14 0 | Seer | 120 | 3 1 0 |
| 12 | Twine Hemp . . . " | 250 | 18 0 0 | Maund | 100 | 51 4 0 |
| 13 | Tags Cotton . . Nos. | 5,000,000 | 0 14 0 | 1,000 | 6,000,000 | 1 10 0 |
| 14 | Knives double bladed . . " | 2,500 | 10 8 0 | Doz. | 2,000 | 9 12 0 |
| 15 | " desk ordinary . . " | 30,000 | 1 12 0 | " | 30,000 | 1 11 5 |
| 16 | Scissors large . . Pairs | 4,000 | 7 13 0 | " | 4,000 | 9 2 0 |
| 17 | " small . . " | 7,000 | 4 8 0 | " | 6,000 | 4 14 0 |
| 18 | Ferro Prussiate paper sersitized. | 8,000 | 8 0 0 | Roll | 1,000 | 5 0 0 |
| 19 | Ferro Gallie linen . . " | 350 | 20 8 0 | " | 453 | 29 7 0 |
| 20 | Paper-weight lead . . Nos. | 11,000 | 2 12 0 | Doz. | 12,000 | 2 10 0 |

9. *Paragraph 21 of the Report.*—The Governor General in Council has carefully considered this question and agrees with the opinion expressed in the last sentence of this paragraph which runs as follows:—

“ Ordinarily the executive should, it is suggested, have power to vary the expenditure within a grant so long as they spend it within the purposes of the grant, and the remedy for preventing abuses of the power of reappropriation is to split up the vote where such abuses occur into two or more votes.”

This is not only convenient in practice, but strictly correct in theory from the constitutional point of view as under Section 67-A (6) of the Government of India Act the Assembly assents or refuses its assent to the demand as a whole; any reduction effected is a reduction of the whole grant and so long as the executive keeps within the total granted the Assembly is not concerned further with details of the expenditure. Cases in which expenditure is incurred for purposes not approved of or specially disapproved of by the Assembly or the Standing Finance Committee would in the unlikely event of their occurring at all be brought to notice by the Auditor General in the audit and appropriation reports. In view also of the powers of intervention of the Standing Finance Committee the Governor General in Council is of opinion that unless the present procedure is proved by experience to lead to evasion of parliamentary control, no change is called for.

10. *Paragraph 22 of the Report.*—The question of sub-division of the demands under Posts and Telegraphs will be considered, and if any alteration is found feasible, it will be given effect to as soon as possible. The similar question in the case of Railways must be considered in connection with the question of separating the Railway Budget from the ordinary Budget.

11. *Paragraph 23 of the Report.*—The question of the possibility of amplifying the appropriation reports is being considered in consultation with the Auditor General who is generally responsible for their preparation and will doubtless do his best to meet the wishes of the Committee as far as possible. Any considerable elaboration of the reports would however mean not only delay but increased work in accounts offices, a good deal of which at any rate would probably not give results commensurate with the labour involved. The Governor General in Council has noted the desire expressed in the debate in the Assembly that the appropriation and audit reports should be circulated among members of the Legislature and the Finance Department will arrange to make them available to any member who desires to have them. For the sake of convenience, the Auditor General has already arranged to have all the civil expenditure (*i.e.*, excluding railways, posts and telegraphs and military expenditure) of the Central Government dealt with in one appropriation report. He has been asked to make a similar arrangement as regards the audit irregularities. At present the various Provincial Accountants General (of whom there are 8) deal with a certain number of Central heads of expenditure; and each of them compiles separate reports with regard to the expenditure brought to account by him. In addition to these are the reports compiled by the Accountant General, Central Revenues, who deals entirely with central expenditure, the major portion of which

is accounted for by him. It is felt that it would be much more convenient if the last named officer consolidated all the reports into one.

12 *Paragraph 25 of the Report*—The Governor General in Council accepts this recommendation and desires that all authorities who are competent to sanction revisions of pay should bear in mind that retrospective effect should not be given except in special circumstances.

13 *Paragraph 27 of the Report*—The Government agrees with the opinion expressed by the Committee.

14 *Paragraph 28 of the Report*—The Government of India have since examined the figures and are satisfied that the excesses noticed are due almost entirely to the difficulties pointed out in paragraphs 11 to 13 of the Report. The modified procedure accepted in paragraph 7 of this Resolution will have the effect of minimising similar excesses in future.

15 *Paragraph 29 of the Report*—The suggestion is accepted. The Home Department will in future watch the expenditure.

16 *Paragraph 30 of the Report*—The Governor General in Council is of opinion that expenditure only on Committees appointed by the Assembly and reporting to it should be charged against the vote for the Assembly. The Auditor General will be asked, if he has no objection, to record under another head the expenditure on Committees appointed otherwise whatever their composition and whether they are appointed by Government on their own initiative or at the initiative of the legislature.

17 *Paragraph 31 of the Report*—The attention of the Chief Commissioner, Delhi, is drawn to the remarks of the Committee in this paragraph.

18 *Paragraph 32 of the Report*—The Auditor General will be asked to instruct all accounts officers to inform the administrative heads of the department who are responsible for watching the expenditure of any adjustment made or likely to be made in the accounts as soon as the information is available.

19 *Paragraph 33 of the Report*—The Auditor General has since examined the question of the classification of 'Miscellaneous' expenditure and has issued necessary instructions to accounts officers.

20 *Paragraph 34 of the Report*—The Auditor General has already instructed the Accountant General, Central Revenues, to show the information required in his appropriation report.

21 The Director General, Posts and Telegraphs should consider the remarks in paragraphs 35 36 of the report and the minutes of the 7th meeting of the Committee.

22 The attention of the Railway Board and the Financial Commissioner, Railways, is directed to the points raised in paragraphs 37—40 and the minutes of the 5th and 7th meetings.

23 As regards the other matters referred to in the proceedings of the Committee, the Governor General in Council is in general agreement with their views. He desires particularly to draw the attention of administrative

departments to two recommendations, *viz.*, the necessity of previous consultation with the Finance Department before any commitment involving a financial liability is made, and the desirability of informing audit officers of the exact nature of the disciplinary action taken by administrative authorities in the case of irregularities discovered by audit. The responsibility for disciplinary action will rest with the administrative authorities and ultimately with the Government of India, but the Audit department is entitled to information as regards the actual action taken. He has also directed that no delay should occur in communicating to the spending departments the grants sanctioned by the Assembly.

24. The question raised by the Auditor General about the fixation of the initial pay of accountants in the Military Accounts Department, which was discussed by the Committee in their meeting on 21st March 1923, has been carefully considered by the Government who feel that in the circumstances it is not possible to reduce the rates of pay already sanctioned except as part of a general reduction of salaries. They have however withdrawn certain conveyance allowances that had been sanctioned for certain accountants in addition to pay.

